

chapter T-0.1

## ACT RESPECTING THE QUÉBEC SALES TAX

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## TITLE I

### QUÉBEC SALES TAX

## CHAPTER I

### DEFINITIONS AND INTERPRETATION

## DIVISION I

### DEFINITIONS

**1.** For the purposes of this Title and the regulations made under it, unless the context indicates otherwise,

“admission” means a right of entry or access to, or attendance at, a place of amusement, a seminar, an activity or an event;

“administrator” of a pooled registered pension plan has the meaning assigned to “administrator” by the first paragraph of section 965.0.19 of the Taxation Act (chapter I-3);

“amount” means money, property or a service, expressed in terms of the amount of money or the value in terms of money of the property or service;

“asset management service” means a service (other than a prescribed service) rendered by a particular person in respect of the assets or liabilities of another person that is a service of

(1) managing or administering the assets or liabilities, irrespective of the level of discretionary authority the particular person has to manage some or all of the assets or liabilities,

(2) providing research, analysis, advice or reports in respect of the assets or liabilities,

(3) determining which assets or liabilities are to be acquired or disposed of, or

(4) acting to realize performance targets or other objectives in respect of the assets or liabilities;

“bank” means a bank or an authorized foreign bank within the meaning of section 2 of the Bank Act (R.S.C. 1985, c. B-1);

“basic tax content”, at a particular time, of property of a person means the amount determined by the formula

$$(A - B) \times C,$$

where

(1) A is the total of

(a) the tax that was payable by the person in respect of the last acquisition or bringing into Québec of the property by the person,

(b) the tax that would have been payable by the person in respect of the last bringing into Québec of the property by the person but for the fact that the person was a registrant, that the property was brought into Québec by the person for consumption or use exclusively in the course of commercial activities of the person and that the person would have been entitled to claim an input tax refund had the person paid the tax in respect of the bringing in,

(c) the tax that would have been payable by the person in respect of the last bringing into Québec of the property by the person but for the fact that the property was brought into Québec for supply,

(d) the tax that was payable by the person in respect of an improvement to the property acquired, or brought into Québec, by the person after the property was last acquired or brought into Québec by the person,

(e) the tax that would have been payable by the person in respect of the bringing into Québec of an improvement to the property but for the fact that the person was a registrant, that the improvement was brought into Québec by the person for consumption or use exclusively in the course of commercial activities of the person and that the person would have been entitled to claim an input tax refund had the person paid the tax in respect of the bringing in after the property was last acquired or brought into Québec by the person,

(f) the tax under section 16 that would have been payable by the person in respect of the last acquisition of the property by the person or in respect of an improvement to the property acquired by the person after the property was last acquired or brought into Québec by the person, but for sections 54.1, 75.1, 75.3 to 75.9 — in the case of property acquired under an agreement for a qualifying supply that was not, immediately before that acquisition, capital property of the supplier — and 80, or the fact that the property or improvement was acquired by the person for consumption, use or supply exclusively in the course of commercial activities,

(g) the tax under section 18 or section 18.0.1 that would have been payable by the person in respect of the last acquisition of the property by the person, and the tax under section 18 or section 18.0.1 that would have been payable by the person in respect of an improvement to the property acquired by the person after the property was last acquired or brought into Québec by the person, but for the fact that the person had acquired the property or improvement for consumption, use or supply exclusively in the course of commercial activities of the person, and

(h) the total of all amounts each of which is determined by the formula

$$D \times E \times F/G,$$

where

i. D is an amount of tax (other than tax that the person was exempt from paying under any other Act or law) under subsection 1 of section 165 of the Excise Tax Act (R.S.C. 1985, c. E-15) or section 212 or 218 of that Act, in relation to the property, referred to in any of subparagraphs i to iii of the description of A in paragraph a of the definition of “basic tax content” in subsection 1 of section 123 of that Act, that became payable, or would have so become payable in the circumstances described in that subparagraph, by the person while the person was a selected listed financial institution, or while the person would have been such a financial institution for the purposes of that Act if Québec were a participating province, within the meaning of that subsection 1,

ii. E is the percentage referred to in subparagraph 3 of the second paragraph of section 433.16 for the person’s taxation year that includes the time the amount referred to in subparagraph i so became payable, or would have so become payable, or the percentage taken into account in determining the value of A in the formula in the first paragraph of section 433.16.2 for the reporting period that includes that time,

iii. F is the tax rate specified in the first paragraph of section 16, and

iv. G is the tax rate specified in subsection 1 of section 165 of the Excise Tax Act;

(2) B is the total of

(a) all taxes referred to in any of subparagraphs a to g of paragraph 1 that the person was exempt from paying under any other Act or law,

(a.1) all taxes (other than tax referred to in subparagraph a) under the first paragraph of section 16 or 17 referred to in any of subparagraphs a to g of paragraph 1 that became payable by the person, or would have so

become payable in the circumstances described in that subparagraph, while the person was a selected listed financial institution,

(b) all amounts (other than input tax refunds and amounts referred to in subparagraphs *a* and *a.1*) in respect of tax referred to in subparagraphs *a* and *d* of paragraph 1 that the person was entitled to recover by way of rebate, refund or otherwise under this or any other Act or law or would have been entitled to recover if the property or improvement had been acquired for use exclusively in activities that are not commercial activities, and

(c) all amounts (other than input tax refunds and amounts referred to in subparagraphs *a* and *a.1*) in respect of tax referred to in subparagraphs *b*, *c* and *e* to *g* of paragraph 1 that the person would have been entitled to recover by way of rebate, refund or otherwise under this or any other Act or law or would have been entitled to recover if that tax had been payable and the property or improvement had been acquired for use exclusively in activities that are not commercial activities; and

(3) *C* is the lesser of 1 and

H/I,

where

(1) *H* is the fair market value of the property at the particular time, and

(2) *I* is the total of

(a) the value of the consideration for the last supply of the property to the person or, where the property was last brought into Québec by the person, the value of the property within the meaning of section 17, and

(b) where the person acquires, or brings into Québec, an improvement to the property after the property was last acquired or brought in, the total of all amounts each of which is the value of the consideration for the supply to the person of such an improvement or, if the improvement is property that was brought into Québec by the person, the value of the property within the meaning of section 17;

“builder” of a residential complex or of an addition to a multiple unit residential complex means a person who

(1) at a time when the person has an interest in the immovable on which the complex is situated, carries on or engages another person to carry on for the person

(a) in the case of an addition to a multiple unit residential complex, the construction of the addition,

(b) *(subparagraph repealed)*;

(c) in any other case, the construction or substantial renovation of the complex,

(2) acquires an interest in the complex at a time when

(a) in the case of an addition to a multiple unit residential complex, the addition is under construction, and

(b) in any other case, the complex is under construction or substantial renovation,

(3) in the case of a mobile home or floating home, makes a supply of the home before the home has been used or occupied by any individual as a place of residence,



(4) acquires an interest in the complex for the primary purpose of making one or more supplies of the complex or parts thereof or interests therein by way of sale, or making one or more supplies of the complex or parts thereof by way of lease, licence or similar arrangement to persons other than to individuals who are acquiring the complex or parts otherwise than in the course of a business or an adventure or concern in the nature of trade

(a) in the case of a complex held in co-ownership or residential unit held in co-ownership at a time when the declaration of co-ownership relating to the residential complex is not yet entered in the land register, or

(b) in any case, before the complex has been occupied by an individual as a place of residence or lodging, or

(5) in any case, is deemed under section 220 to be a builder of the complex;

however, “builder” does not include

(6) an individual described in paragraph 1, 2 or 4 who otherwise than in the course of a business or an adventure or concern in the nature of trade,

(a) carries on the construction or substantial renovation of the complex,

(b) engages another person to carry on the construction or substantial renovation of the complex for the individual, or

(c) acquires the complex or an interest in it,

(7) an individual described in paragraph 3 who makes a supply of a mobile home or floating home otherwise than in the course of a business or an adventure or concern in the nature of trade, or

(8) a person described in any of paragraphs 1 to 3 whose only interest in the complex is a right to purchase the complex or an interest in it from a builder of the complex;

“business” includes a profession, calling, trade, manufacture or undertaking of any kind whatever, whether the activity or undertaking is engaged in for profit or not, and any activity engaged in on a regular or continuous basis that involves the supply of property by way of lease, licence or similar arrangement, but does not include an office or employment;

“calendar quarter” means a period of three months beginning on the first day of January, April, July or October in each calendar year;

“Canadian specified supplier” has the meaning assigned by section 477.2;

“capital property”, in respect of a person, means property that is, or that would be if the person were a taxpayer under the Taxation Act, capital property of the person within the meaning of that Act, other than property described in Class 12, 14, 14.1 or 44 of Schedule B to the Regulation respecting the Taxation Act (chapter I-3, r. 1);

“carrier” means a person who supplies a freight transportation service within the meaning of section 193;

“charity” means a registered charity or a registered Canadian amateur athletic association, within the meaning assigned by section 1 of the Taxation Act, but does not include a public institution;

“closely related group” has the meaning assigned by section 330;

“commercial activity” of a person means

(1) a business carried on by the person, other than a business carried on without a reasonable expectation of profit by an individual, a personal trust or a partnership, all of the members of which are individuals, except to the extent to which the business involves the making of exempt supplies by the person,

(2) an adventure or concern of the person in the nature of trade, other than an adventure or concern engaged in without a reasonable expectation of profit by an individual, a personal trust or a partnership, all of

the members of which are individuals, except to the extent to which the adventure or concern involves the making of exempt supplies by the person, and

(3) the making of a supply, other than an exempt supply, by the person of an immovable of the person, including anything done by the person in the course of or in connection with the making of the supply;

“commercial service”, in respect of corporeal movable property, means any service in respect of the property other than

(1) a service of shipping the property supplied by a carrier;

(2) a financial service; and

(3) a service that is acquired for consumption, use or supply in the course of, or in connection with, the performance of a mining activity, within the meaning of section 350.12.1, in Québec;

“complex held in co-ownership” means a residential complex that contains more than one residential unit held in co-ownership;

“consideration” includes any amount that is payable for a supply by operation of law;

“consumer” of property or a service means an individual who acquires, or brings into Québec, the property or service at his expense for his personal consumption, use or enjoyment or the personal consumption, use or enjoyment of any other individual, but does not include an individual who acquires, or brings into Québec, the property or service for consumption, use or supply in the course of the commercial activities of the individual or other activities in the course of which the individual makes exempt supplies;

“continuous transmission commodity” means electricity, crude oil, natural gas, or any corporeal movable property, that is transportable by means of a wire, pipeline or other conduit;

“convention” means a formal meeting or assembly that is not open to the general public, but does not include a meeting or assembly the principal purpose of which is

(1) to provide any type of amusement, entertainment or recreation,

(2) to conduct contests or games of chance, or

(3) to transact the business of the convenor or attendees

(a) in the course of a trade show that is open to the general public, or

(b) otherwise than in the course of a trade show;

“convention facility” means an immovable that is acquired by way of lease, licence or similar arrangement by the sponsor or organizer of a convention for use exclusively as the site for the convention;

“cooperative corporation” means a cooperative housing corporation and any other cooperative corporation within the meaning of subsection 2 of section 136 of the Income Tax Act (R.S.C. 1985, c. 1 (5th Suppl.));

“cooperative housing corporation” means a corporation that was incorporated, by or under the laws of Québec, another province, the Northwest Territories, the Yukon Territory, Nunavut or Canada, providing for the establishment of the corporation or respecting the establishment of cooperative corporations, for the purpose of making supplies by way of lease, licence or similar arrangement of residential units to its members for the purpose of their occupancy as places of residence for individuals where

(1) the statutes by or under which it was incorporated, its charter, articles of association or by-laws or its contracts with its members require that the activities of the corporation be engaged in at or near cost after providing for reasonable reserves and hold forth the prospect that surplus funds arising from those activities will be distributed among its members in proportion to patronage,

(2) none of its members, except other cooperative corporations, have more than one vote in the conduct of the affairs of the corporation, and

(3) at least 90% of its members are individuals or other cooperative corporations and at least 90% of its shares are held by such persons;

“credit note” means a credit note issued under section 449;

“credit union” has the meaning assigned by section 797 of the Taxation Act to the expression “savings and credit union” and also includes a deposit insurance corporation described in paragraph *b* of section 804 of that Act;

“debit note” means a debit note issued under section 449;

“debt security” means a right to be paid money and includes a deposit of money, but does not include a lease, licence or similar arrangement for the use of, or the right to use, property other than a financial instrument;

“designated municipal property” has the meaning assigned by subsection 1 of section 123 of the Excise Tax Act;

“direct cost” of a supply of corporeal movable property or a service means the total of all amounts each of which is the consideration paid or payable by the supplier

(1) for the property or service if it was purchased by the supplier for the purpose of making a supply by way of sale of the property or service, or

(2) for an article or material, other than capital property of the supplier, that was purchased by the supplier, to the extent that the article or material is to be incorporated into or is to form a constituent or component part of the property, or is to be consumed or expended directly in the process of manufacturing, producing, processing or packaging the property;

and, for the purposes of this definition, the following rules apply:

(1) the consideration paid or payable by the supplier for property or a service is determined by taking into account any tax imposed under this Title that is payable by the supplier in respect of the acquisition or bringing into Québec of the property or service by the supplier, excluding the portion of tax, other than tax that became payable by the supplier at a time when the supplier was a registrant that is recovered or recoverable by the supplier;

(2) that consideration is determined without taking into account the portion of the duty, fee or tax referred to in section 52 that is recovered or recoverable by the supplier; and

(3) that consideration is determined by taking into account the tax imposed under Part IX of the Excise Tax Act;

“distributed investment plan” means an investment plan within the meaning of section 433.15.1 that is

(1) a corporation, other than a pension entity, exempt from tax under paragraph *c.2* of section 998 of the Taxation Act;

(2) an investment corporation within the meaning of section 1 of the Taxation Act;

(3) a mortgage investment corporation within the meaning of section 1 of the Taxation Act;

(4) a mutual fund corporation within the meaning of section 1 of the Taxation Act;

(5) a mutual fund trust within the meaning of section 1 of the Taxation Act;

(6) a non-resident-owned investment corporation within the meaning of section 1 of the Taxation Act;

(7) a segregated fund of an insurer;

(8) a unit trust within the meaning of section 1 of the Taxation Act that is not a trust described in any of subparagraphs *a* to *h*, *k* and *l* of paragraph 1 of the definition of “investment plan”; or

(9) an investment limited partnership;

“distribution platform operator” has the meaning assigned by section 477.2;

“document” includes money, a security, a record and a supporting document;

“emission allowance” means

(1) an allowance, credit or similar instrument (other than a prescribed allowance, credit or instrument) that

(a) is issued or created by, or on behalf of,

i. a government, a government of a foreign country, a government of a political subdivision of a country, a supranational organization or an international organization (each of which is in this definition referred to as a “regulator”),

ii. a board, commission or other body established by a regulator, or

iii. an agency of a regulator,

(b) can be used to satisfy a requirement under

i. a scheme or arrangement implemented by, or on behalf of, a regulator to regulate greenhouse gas emissions, or

ii. a prescribed scheme or arrangement, and

(c) represents a specific quantity of greenhouse gas emissions expressed as carbon dioxide equivalent; or

(2) a prescribed property;

“employee” includes an officer;

“employer”, in relation to an officer, means the person from whom the officer receives remuneration;

“equity security” means a share of the capital stock of a corporation or any interest in or right to such a share;

“exchange-traded series” of a stratified investment plan means a series of the plan, any unit of which is listed or traded on a stock exchange or other public market;

“excisable goods” means beer or malt liquor, within the meaning of section 4 of the Excise Act (R.S.C. 1985, c. E-14), and spirits, wine, tobacco products, cannabis products and vaping products, within the meaning of section 2 of the Excise Act, 2001 (S.C. 2002, c. 22);

“exclusive” means, in the case of a person who is not a financial institution, all or substantially all of the consumption, use or supply of a property or a service and, in the case of a financial institution, all of the consumption, use or supply of the property or service;

“exempt supply” means a supply described in Chapter III;

“financial institution” throughout a taxation year means a person who is

(1) a listed financial institution at any time in that taxation year, or

(2) a financial institution,

(a) within the meaning of paragraph *b* of subsection 1 of section 149 of the Excise Tax Act, or

(b) within the meaning of paragraph *c* of subsection 1 of section 149 of that Act;

“financial instrument” means

(1) a debt security,

(2) an equity security,

(2.1) a right (other than a right as a creditor), whether immediate or future and whether absolute or contingent, conferred by a corporation that does not have capital divided into shares, to receive an amount that can reasonably be regarded as all or any part of the capital, revenue or income of the corporation,

- (3) an insurance policy,
  - (4) an interest in a trust, a partnership or a succession, or any right in respect of such an interest,
  - (5) a precious metal,
  - (6) a contract or an option for the future supply of a commodity, where the contract or option is traded on a recognized commodity exchange,
  - (6.1) a virtual payment instrument,
  - (7) a prescribed instrument,
  - (8) an acceptance, a guarantee or an indemnity in respect of an instrument described in any of paragraphs 1 to 2.1, 4, 5 and 7, or
  - (9) a contract or an option for the future supply of money or of an instrument described in any of paragraphs 1 to 8;
- “financial service”, which does not include the operations and services described in paragraphs 14 to 20, means
- (1) the exchange, issue, payment, receipt or transfer of money, whether effected by the exchange of currency, by crediting or debiting accounts or otherwise;
  - (2) the operation or maintenance of a charge, chequing, deposit, savings, loan or other account;
  - (3) the borrowing or lending of a financial instrument;
  - (4) the acceptance, allotment, issue, endorsement, variation, granting, repayment, renewal, processing or transfer of ownership of a financial instrument;
  - (5) the variation, provision, receipt or release of an acceptance, a guarantee or an indemnity in respect of a financial instrument;
  - (6) the payment or receipt of money as benefits, principal, dividends, other than patronage dividends, interest or any similar payment or receipt of money in respect of a financial instrument;
  - (6.1) the payment or receipt of an amount in full or partial satisfaction of a claim arising under an insurance policy;
  - (7) the making of any advance, the granting of any credit or the lending of money;
  - (8) the underwriting of a financial instrument;
  - (9) any service provided pursuant to the terms and conditions of any agreement relating to the payment of amounts for which a credit card voucher or charge card voucher has been issued;
  - (10) the service of investigating and recommending the compensation in satisfaction of a claim where
    - (a) the claim is made under a marine insurance policy, or
    - (b) the claim is made under an insurance policy that is not in the nature of accident or sickness or life insurance and
      - i. the service is supplied by an insurer or by a person who is licensed under the laws of Québec, another province, the Northwest Territories, the Yukon Territory or Nunavut to provide such a service, or
      - ii. the service is supplied to an insurer or a group of insurers by a person who would be required to be so licensed but for the fact that the person is relieved from that requirement under the laws of Québec, another province, the Northwest Territories, the Yukon Territory or Nunavut;
  - (10.1) the service of providing an insurer or a person who supplies a service referred to in paragraph 10 with an appraisal of the damage caused to property, or in the case of a loss of property, the value of the property, where the supplier of the appraisal inspects the property, or in the case of a loss of the property, the last-known place where the property was situated before the loss;

- (11) any supply deemed under section 39 or 297.0.2.1 to be a supply of a financial service;
- (12) the agreeing to provide, or the arranging for, a service that is
  - (a) referred to in any of paragraphs 1 to 9, and
  - (b) not referred to in any of paragraphs 14 to 20;
- (13) a prescribed service;
- (14) the payment or receipt of money as consideration for the supply of property other than a financial instrument or of a service other than a financial service;
- (15) the payment or receipt of money in settlement of a claim (other than a claim under an insurance policy) under a warranty, guarantee or similar arrangement in respect of property other than a financial instrument or a service other than a financial service;
- (16) the service of providing advice, other than a service referred to in paragraph 10 or 10.1;
- (17) where the supplier is a person who provides management or administrative services to an investment plan, a corporation, partnership or trust the principal activity of which is the investing of funds, the provision to the investment plan, corporation, partnership or trust of
  - (a) a management or administrative service, or
  - (b) any other service, other than a prescribed service;
- (17.1) an asset management service;
- (18) a professional service provided by an actuary, advocate, accountant or notary in the course of a professional practice;
  - (18.1) the arranging for the transfer of ownership of shares of a cooperative housing corporation;
  - (18.2) a debt collection service, rendered under an agreement between a person agreeing to provide, or arranging for, the service and a particular person other than the debtor, in respect of all or part of a debt, including a service of attempting to collect, arranging for the collection of, negotiating the payment of, or realizing or attempting to realize on a security given for, the debt, but does not include a service that consists solely of accepting from a person, other than the particular person, a payment of all or part of an account unless
    - (a) under the terms of the agreement the person rendering the service may attempt to collect all or part of the account or may realize or attempt to realize on a security given for the account, or
    - (b) the principal business of the person rendering the service is the collection of debt;
  - (18.3) a service (other than a prescribed service) of managing credit that is in respect of credit cards, charge cards, credit accounts, charge accounts, loan accounts or accounts in respect of any advance and is provided to a person granting, or potentially granting, credit in respect of those cards or accounts, including a service provided to the person of
    - (a) checking, evaluating or authorizing credit,
    - (b) making decisions on behalf of the person in relation to a grant, or an application for a grant, of credit,
    - (c) creating or maintaining records for the person in relation to a grant, or an application for a grant, of credit or in relation to the cards or accounts, or
    - (d) monitoring another person's payment record or dealing with payments made, or to be made, by the other person;

(18.4) a service (other than a prescribed service) that is preparatory to the provision or the potential provision of a service referred to in any of paragraphs 1 to 9 and 12, or that is provided in conjunction with a service referred to in any of those paragraphs, and that is

(a) a service of collecting, collating or providing information, or

(b) a market research, product design, document preparation, document processing, customer assistance, promotional or advertising service or a similar service;

(18.5) property (other than a financial instrument or prescribed property) that is delivered or made available to a person in conjunction with the rendering by the person of a service referred to in any of paragraphs 1 to 9 and 12;

(18.6) a service (other than a prescribed service) that is supplied by a payment card network operator, within the meaning of section 3 of the Payment Card Networks Act (S.C. 2010, c. 12, s. 1834), in respect of a payment card network, within the meaning of that section 3, where the supply includes the provision of

(a) a service in respect of the authorization of a transaction in respect of money, an account, a credit card voucher, a charge card voucher or a financial instrument,

(b) a clearing or settlement service in respect of money, an account, a credit card voucher, a charge card voucher or a financial instrument, or

(c) a service rendered in conjunction with a service referred to in subparagraph *a* or *b*;

(19) any service the supply of which is deemed under this Title to be a taxable supply; or

(20) a prescribed service;

“fiscal month” of a person at a particular time means

(1) where subdivision IV of subdivision 0.1 of Division IV of Chapter VIII applies in respect of the person, the period determined under sections 458.1.2, 458.2 and 458.2.1; or

(2) where that subdivision IV does not apply in respect of the person, either of the following periods:

(a) where the person is a registrant under Part IX of the Excise Tax Act, the person’s fiscal month for the purposes of Part IX of that Act at that time, or

(b) in any other case, the period determined under sections 458.1.2, 458.2 and 458.2.1;

“fiscal quarter” of a person at a particular time means

(1) where subdivision IV of subdivision 0.1 of Division IV of Chapter VIII applies in respect of the person, the period determined under sections 458.1.1, 458.2 and 458.2.1; or

(2) where that subdivision IV does not apply in respect of the person, either of the following periods:

(a) where the person is a registrant under Part IX of the Excise Tax Act, the person’s fiscal quarter for the purposes of Part IX of that Act at that time, or

(b) in any other case, the period determined under sections 458.1.1, 458.2 and 458.2.1;

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

(1) where subdivision IV of subdivision 0.1 of Division IV of Chapter VIII applies in respect of the person, the period determined under that subdivision IV;

(2) in any other case,

(a) if the person is a registrant under Part IX of the Excise Tax Act, the person’s fiscal year for the purposes of Part IX of that Act at that time,

(b) if subparagraph *a* does not apply to the person and the person has made an election under section 458.4 that is in effect, the period that the person elected to be the fiscal year of the person,

(c) if subparagraph *a* does not apply to the person and the fiscal year of the person is determined in accordance with section 458.2, the fiscal year determined in accordance with that section, and

(d) in all other cases, the taxation year of the person within the meaning of Part IX of the Excise Tax Act;

“floating home” means a structure that is composed of a floating platform and a building designed to be occupied as a place of residence for individuals that is permanently affixed to the platform, but does not include any freestanding appliances or furniture sold with the structure or any structure that has means of, or is capable of being readily adapted for, self-propulsion;

“foreign convention” means a convention

(1) at least 75% of the admissions to which are, at the time the sponsor of the convention determines the amount to be charged as consideration therefor, reasonably expected to be supplied to persons not resident in Canada, and

(2) the sponsor of which is an organization whose head office is situated outside Canada or, where the organization has no head office, the member, or majority of members, of which having management and control of the organization is or are not resident in Canada;

“game of chance” means a lottery or other scheme under which prizes or winnings are awarded by way of chance only or by way of a mixture of chance and other factors where the result depends more on chance than on the other factors;

“government” means the Gouvernement du Québec, the government of another province, the Northwest Territories, the Yukon Territory, Nunavut or Canada;

“hospital authority” means Santé Québec, an institution referred to in Schedule II to the Act respecting the governance of the health and social services system (chapter G-1.021) or a public institution within the meaning of the Act respecting health services and social services for the Inuit and Naskapi (chapter S-4.2) or the Act respecting health services and social services for Cree Native persons (chapter S-5), that operates a hospital centre, or an organization that operates a public hospital located in Québec and that is designated by the Minister of National Revenue as a hospital authority;

“immovable” includes

(1) a lease pertaining to an immovable;

(2) a mobile home;

(3) a floating home; and

(4) a leasehold or other proprietary interest in a mobile home or a floating home;

“improvement”, in respect of property of a person, means any property or service supplied to, or property brought into Québec by, the person for the purpose of improving the property, to the extent that the consideration paid or payable by the person for the property or service or the value of the property brought in is, or would be if the person were a taxpayer within the meaning of the Taxation Act, included in determining the cost or, in the case of property that is capital property of the person, the adjusted cost base to the person of the property for the purposes of that Act;

“individual” means a natural person;

“insurance policy” means a policy of insurance that is issued, or a contract of insurance that is entered into, by an insurer and a policy or contract in the nature of accident or sickness insurance, whether or not the policy is issued, or the contract is entered into, by an insurer, and also includes

(1) a policy of reinsurance issued by an insurer,

(2) an annuity contract entered into by an insurer, or a contract entered into by an insurer that would be an annuity contract except that the payments under the contract



- (a) are payable on a periodic basis at intervals that are shorter or longer than one year, or
- (b) vary in amount depending on the value of a specified group of assets or on changes in interest rates, and
- (3) a contract entered into by an insurer all or part of the insurer's reserves for which vary in amount depending on the value of a specified group of assets;

however, "insurance policy" does not include a warranty in respect of the quality, fitness or performance of corporeal property, where the warranty is supplied to a person who acquires the property otherwise than for resale;

- (4) a bid, performance, maintenance or payment bond issued in respect of a construction contract;

"insurer" means a person who is authorized under the laws of Québec, another province, the Northwest Territories, the Yukon Territory, Nunavut or Canada to carry on an insurance business in Canada or under the laws of another jurisdiction to carry on an insurance business in that other jurisdiction;

"*inter vivos* trust" means a trust other than a testamentary trust;

"investment limited partnership" means a limited partnership, the primary purpose of which is to invest funds in property consisting primarily of financial instruments, if

(1) the limited partnership is, or forms part of an arrangement or structure that is, represented or promoted as a hedge fund, investment limited partnership, mutual fund, private equity fund, venture capital fund or other similar collective investment vehicle; or

(2) the total value of all shares in the limited partnership held by listed financial institutions is 50% or more of the total value of all shares in the limited partnership;

"investment plan" means

(1) a trust governed by any of the following plans, trusts, arrangement or fund, within the meaning of the Taxation Act or the Regulation respecting the Taxation Act:

- (a) a registered pension plan,
- (a.1) a pooled registered pension plan,
- (b) a profit sharing plan,
- (c) a registered supplementary unemployment benefit plan,
- (d) a registered retirement savings plan,
- (d.1) a tax-free savings account,
- (e) a deferred profit sharing plan,
- (f) a registered education savings plan,
- (f.1) a registered disability savings plan,
- (g) an employee benefit plan,
- (h) an employee trust,
- (i) a mutual fund trust,
- (j) a unit trust,
- (k) a retirement compensation arrangement, or

- (l) a registered retirement income fund;
- (2) the following corporations within the meaning of the said Act:
  - (a) an investment corporation,
  - (b) a mortgage investment corporation,
  - (c) a mutual fund corporation, or
  - (d) a non-resident owned investment corporation;

(3) a corporation exempt from tax under the said Act by reason of paragraphs *c.1* and *c.2* of section 998 and section 998.1 of the said Act;

- (3.1) an investment limited partnership; and
- (4) (*paragraph repealed*);
- (5) a prescribed person or a person of a prescribed class;

“invoice” includes a statement of account, a bill and any other similar record or supporting document, regardless of its form or characteristics, and a cash register slip or receipt;

“listed financial institution” throughout a taxation year means a person who is, at any time in the year,

- (1) a bank,
- (2) a corporation that is authorized under the laws of Québec, another province, the Northwest Territories, the Yukon Territory, Nunavut or Canada to carry on in Canada the business of offering to the public its services as a trustee,

(3) a person whose principal business is as a dealer or trader in, or as a broker or salesperson of, financial instruments or money,

- (4) a credit union,

(5) an insurer or any other person whose principal business is providing insurance under insurance policies,

- (6) a segregated fund of an insurer,
- (7) the Canada Deposit Insurance Corporation,

(8) a person whose principal business is the lending of money or the purchasing of debt securities or a combination thereof,

- (9) an investment plan,
- (10) a person providing services referred to in section 39, or
- (11) a corporation deemed under section 297.0.2.6 to be a financial institution;

“management or administrative service” includes an asset management service;

“master pension entity” of a pension plan means a person that is not a pension entity of the pension plan and that is

(1) a corporation described in paragraph *c.2* of section 998 of the Taxation Act, one or more shares of which are owned by a pension entity of the pension plan; or

(2) a master trust, within the meaning of the regulations made under paragraph *c.4* of section 998 of the Taxation Act, one or more units of which are owned by a pension entity of the pension plan;

“master pension factor” has the meaning assigned by section 289.2;

“membership” includes a right granted by a particular person that entitles another person to services that are provided by, or to the use of facilities that are operated by, the particular person and that are not available,

or are not available to the same extent or for the same charge, to a person to whom such a right has not been granted, and also includes such a right that is conditional on the acquisition or ownership of a share, bond or other security;

“mineral” includes petroleum, natural gas and related hydrocarbons, sand, gravel, ammonite gemstone, bituminous sands, calcium chloride, coal, kaolin, oil shale and silica;

“mobile home” means a building, the manufacture and assembly of which is completed or substantially completed, that is equipped with complete heating, electrical and plumbing facilities and that is designed to be moved to a site for installation on a foundation and connection to service facilities and to be occupied as a place of residence, but does not include any travel trailer, motor home, camping trailer or other vehicle or trailer designed for recreational use;

“money” includes any currency, cheque, promissory note, letter of credit, draft, traveller’s cheque, bill of exchange, postal note, money order, postal remittance and other similar instrument, whether Canadian or foreign, but does not include currency the fair market value of which exceeds its stated value as legal tender in the country of issuance or currency that is supplied or held for its numismatic value;

“month” means a period beginning on a particular day in a calendar month and ending

(1) on the day immediately before the day in the next calendar month that has the same calendar number as the particular day, or

(2) where the next calendar month does not have a day that has the same calendar number as the particular day, the last day of that next calendar month;

“motor vehicle” means a self-propelled road vehicle having a net mass of less than 4,000 kg, with four or more wheels and designed essentially for transporting persons or property by road;

“multiple unit residential complex” means a residential complex that contains more than one residential unit, but does not include a complex held in co-ownership;

“municipality” includes

(1) a metropolitan community, the Kativik Regional Government or any other incorporated municipal body however designated, and

(2) such other local authority as

(a) the Minister of Revenue may determine to be a municipality for the purposes of this Title, or

(b) the Minister of National Revenue has determined, before 1 January 2014, to be a municipality under paragraph *b* of the definition of “municipality” in subsection 1 of section 123 of the Excise Tax Act, unless that determination has been revoked;

“mutual insurance federation” means a corporation each member of which is a mutual insurance corporation that is required, under an Act of the Legislature of Québec, to be a member of the corporation, but does not include a corporation the main purpose of which is

(1) related to automobile insurance,

(2) to provide compensation to insurance policy holders of, or claimants on, insolvent insurers, or

(3) to establish and manage a guarantee fund, cash reserve fund, mutual aid fund or similar fund for the benefit of its members and to provide financial assistance with regard to losses sustained on the winding-up or dissolution of its members;

“mutual insurance group” means a group that consists of

(1) a mutual insurance federation and its members,

(2) where the members of the mutual insurance federation are the sole investors in an investment fund, that fund, and

(3) where there exists a mutual reinsurance corporation each member of which is a member of the mutual insurance federation and is not entitled to obtain reinsurance from any other reinsurance corporation, that mutual reinsurance corporation;

“net mass” means

(1) in the case of a new motor vehicle, the mass of the vehicle indicated by the manufacturer at the time of shipping;

(2) in the case of a used motor vehicle, the mass indicated on the last registration certificate issued in respect of the vehicle;

“non-profit organization” means a person, other than an individual, a succession, a trust, a charity, a public institution, a municipality or a government, that was organized and is operated solely for a purpose other than profit, no part of the income of which is payable to, or otherwise available for the personal benefit of, any proprietor, member or shareholder thereof unless the proprietor, member or shareholder is a club or an association the primary purpose of which is the promotion of amateur athletics in Canada;

“non-stratified investment plan” means a distributed investment plan that is not a stratified investment plan;

“office” has the meaning assigned by section 1 of the Taxation Act, but does not include

(1) the position of trustee in bankruptcy,

(2) the position of receiver, including the position of a receiver within the meaning assigned by the second paragraph of section 310, or

(3) the position of trustee of a trust or personal representative of a deceased individual where the person who acts in that capacity is entitled to an amount for doing so that is included, for the purposes of that Act, in computing the person’s income or, where the person is an individual, the person’s income from a business;

“officer” means a person who holds an office;

“organizer” of a convention means a person who acquires the convention facility or related convention supplies and who organizes the convention for another person who is the sponsor of the convention;

“participating employer” of a pension plan means

(1) in the case of a registered pension plan, an employer that has made, or is required to make, contributions to the pension plan in respect of the employer’s employees or former employees, or payments under the pension plan to the employer’s employees or former employees, and includes an employer prescribed for the purposes of the definition of “participating employer” in subsection 1 of section 147.1 of the Income Tax Act; and

(2) in the case of a pooled registered pension plan, an employer that

(a) has made, or is required to make, contributions to the pension plan in respect of all or a class of its employees or former employees, or

(b) has remitted, or is required to remit, to the administrator of the pension plan contributions made by members (within the meaning assigned by the first paragraph of section 965.0.19 of the Taxation Act) of the pension plan under a contract with the administrator in respect of all or a class of its employees;

“passenger vehicle” means a passenger vehicle or a zero-emission passenger vehicle, within the meaning assigned to those expressions by section 1 of the Taxation Act;

“patronage dividend” means an amount that is deductible under sections 786 to 796 of the Taxation Act in computing, for the purposes of that Act, the income of the person paying the amount;

“pension entity” of a pension plan means a person that is

(1) a trust governed by the pension plan;

(2) a corporation referred to in paragraph 2 of the definition of “pension plan”; or

(3) a prescribed person;

“pension plan” means a registered pension plan or a pooled registered pension plan that

(1) governs a trust;

(2) is a plan in respect of which a corporation

(a) is incorporated and operated either

i. solely for the administration of the plan, or

ii. for the administration of the plan and for no other purpose other than acting as trustee of, or administering, a trust governed by a retirement compensation arrangement, within the meaning of section 1 of the Taxation Act, where the terms of the arrangement provide for benefits only in respect of individuals who are provided with benefits under the plan,

(b) in the case of a registered pension plan, is accepted by the Minister of National Revenue under subparagraph ii of paragraph 0.1 of subsection 1 of section 149 of the Income Tax Act as a funding medium for the purposes of the registration of the registered pension plan, and

(c) in the case of a pooled registered pension plan, is a corporation that is described in paragraph 0.2 of subsection 1 of section 149 of the Income Tax Act, and all of the shares, and rights to acquire shares, of the capital stock of which are owned, at all times since the date on which it was incorporated, by the plan; or

(3) is a plan in respect of which a person is prescribed for the purposes of the definition of “pension entity”;

“permanent establishment”, in respect of a particular person, means

(1) a fixed place of business of the particular person, including a place of management, a branch, an office, a factory, a workshop, a mine, an oil or gas well, timberland, a quarry or any other place of extraction of natural resources, through which the particular person makes supplies, or

(2) a fixed place of business of another person, other than a broker, general commission agent or other independent agent acting in the ordinary course of business, who is acting in Québec on behalf of the particular person and through whom the particular person makes supplies in the ordinary course of business;

“person” means a corporation, trust, individual, partnership or succession or a body that is an association, club, commission, union or other organization of any kind;

“personal representative”, of a deceased individual or the succession of a deceased individual, means the liquidator of the individual’s succession or any person who is responsible under the appropriate law for the proper collection, administration, disposition and distribution of the assets of the succession;

“personal trust” means

(1) a testamentary trust, or

(2) an *inter vivos* trust that is a personal trust, within the meaning of section 1 of the Taxation Act, all the beneficiaries, other than contingent beneficiaries, of which are individuals and all the contingent beneficiaries, if any, of which are individuals, charities or public institutions;

“place of amusement” means any premises or place, whether or not enclosed, at or in any part of which is staged or held any slide show, film, sound and light or similar presentation, any artistic, literary, musical, theatrical or other exhibition, performance or entertainment, any circus, fair, menagerie, rodeo or similar event, or any race, game of chance, athletic contest or other contest or game, and also includes a museum, historical site, zoo, wildlife or other park, place where bets are placed and any place, structure, apparatus, machine or device the purpose of which is to provide any type of amusement or recreation;

“plan member” of an investment plan that is a private investment plan or a pension entity of a pension plan means an individual who has a right, either immediate or in the future and either absolute or contingent, to receive benefits under,

(1) in the case of an employee life and health trust, within the meaning of section 1 of the Taxation Act, the investment plan;

(2) in the case of a pension entity of a pension plan, the pension plan; and

(3) in any other case, the deferred profit sharing plan, the employee benefit plan, the employee trust, the profit sharing plan, the registered education savings plan, the registered supplementary unemployment benefit plan or the retirement compensation arrangement, within the meaning assigned to those expressions by section 1 of the Taxation Act, as the case may be, that governs the investment plan;

“pleasure vehicle” has the meaning assigned by section 1 of the Fuel Tax Act (chapter T-1);

“pooled registered pension plan” has the meaning assigned by paragraph 1 of the definition of “investment plan”;

“precious metal” means a bar, ingot, coin or wafer that is composed of gold, silver or platinum the purity level of which is at least 99.5% in the case of gold and platinum and at least 99.9% in the case of silver;

“private investment plan” means an investment plan, within the meaning of section 433.15.1, other than a distributed investment plan or a pension entity;

“property” does not include money;

“provincial investment plan” for a particular province at any time means an investment plan that

(1) is at that time a financial institution described in the definition of “provincial investment plan” in the first paragraph of section 433.15.1, the units of which may, under the laws of Canada or a province, be sold only in the particular province;

(2) is at that time a stratified investment plan, all the series of which are provincial series for the particular province; or

(3) meets the following conditions:

(a) it has, throughout the taxation year in which its fiscal year that includes that time ends, a permanent establishment in the particular province, as determined in accordance with the first paragraph of section 433.15.3, and

(b) it does not have, throughout that taxation year, a permanent establishment in a province other than the particular province, as determined in accordance with the first paragraph of section 433.15.3;

“provincial series” has the meaning assigned by section 433.15.1;

“provincial stratified investment plan” means a stratified investment plan (other than a provincial investment plan) with one or more provincial series;

“public college” means

(1) a college governed by the General and Vocational Colleges Act (chapter C-29);

(2) an institution that is accredited for purposes of subsidies for providing educational services at the college level under the Act respecting private education (chapter E-9.1);

(3) an organization that operates a post-secondary college or post-secondary technical institute, situated in Québec,

(a) that receives from a government or a municipality funds that are paid for the purpose of assisting the organization in ongoing provision of educational services to the general public, and

(b) the primary purpose of which is to provide programs of instruction in one or more fields of vocational, technical or general education;

“public institution” means a registered charity, within the meaning of section 1 of the Taxation Act, that is a school authority, a public college, a university, a hospital authority or a local authority determined under paragraph 2 of the definition of “municipality” in this section to be a municipality;

“public sector body” means a government or a public service body;

“public service body” means a non-profit organization, a charity, a municipality, a school authority, a hospital authority, a public college or a university;

“recipient” of a supply of property or a service means

(1) where consideration for the supply is payable under an agreement for the supply, the person who is liable under the agreement to pay that consideration,

(2) where paragraph 1 does not apply and consideration is payable for the supply, the person who is liable to pay that consideration, and

(3) where no consideration is payable for the supply,

(a) in the case of a supply of property by way of sale, the person to whom the property is delivered or made available,

(b) in the case of a supply of property otherwise than by way of sale, the person to whom possession or use of the property is given or made available, and

(c) in the case of a supply of a service, the person to whom the service is rendered,

and any reference to a person to whom a supply is made shall be read as a reference to the recipient of the supply;

“registered pension plan” has the meaning assigned by paragraph 1 of the definition of “investment plan”;

“registrant” means a person who is registered, or who is required to be registered, under Division I of Chapter VIII;

“related convention supplies” means property or services acquired or brought into Québec by a person exclusively for consumption, use or supply by the person in connection with a convention, but does not include

(1) transportation services, other than a chartered service acquired by the person solely for the purpose of transporting attendees of the convention between any of the convention facilities, places of lodging of the attendees or transportation terminals,

(2) entertainment,

(3) except for the purposes of sections 357.2 to 357.5, property or services that are food or beverages or are supplied to the person under a contract for catering, or

(4) property or services supplied by the person in connection with the convention for consideration that is separate from the consideration for the admission to the convention, unless the recipient of the supply is acquiring the property or service exclusively for consumption or use in the course of promoting, at the convention, property or services supplied by, or a business of, the recipient;

“reporting period” of a person means the reporting period of the person as determined under sections 458.6 to 467;

“residential complex” means

(1) that part of a building in which one or more residential units are located, together with

(a) that part of any common areas and other appurtenances to the building and the land contiguous to the building that is reasonably necessary for the use and enjoyment of the building as a place of residence for individuals, and

(b) that proportion of the land adjacent to the building that that part of the building in which one or more residential units are located is of the whole building,

(2) that part of a building, together with that proportion of any common areas and other appurtenances to the building and the land subjacent or contiguous to the building that is attributable to the unit and that is reasonably necessary for its use and enjoyment as a place of residence for individuals, that is

(a) the whole or part of a semi-detached house, rowhouse unit, residential unit held in co-ownership or other similar premises that is, or is intended to be, a separate parcel or other division of an immovable owned, or intended to be owned, apart from any other unit in the building, and

(b) a residential unit, and

(3) the whole of a building described in paragraph 1, or the whole of a premises described in subparagraph *a* of paragraph 2, that is owned by or has been supplied by way of sale to an individual and that is used primarily as a place of residence of the individual, an individual related to the individual or a former spouse of the individual, together with

(a) in the case of a building described in paragraph 1, any appurtenances to the building, the land subjacent to the building and that part of the land contiguous to the building, that are reasonably necessary for the use and enjoyment of the building, and

(b) in the case of a premises described in subparagraph *a* of paragraph 2, that part of any common areas and other appurtenances to the building and the land subjacent or contiguous to the building that is attributable to the unit and that is reasonably necessary for the use and enjoyment of the unit,

(4) a mobile home, together with any appurtenances to the home and, where the home is affixed to land, other than a site in a residential trailer park, for the purpose of its use and enjoyment as a place of residence for individuals, the land subjacent or contiguous to the home that is attributable to the home and is reasonably necessary for that purpose, and

(5) a floating home;

however, “residential complex” does not include

(6) a building, or that part of a building, that is an inn, a hotel, a motel, a boarding house or other similar premises, or the land and appurtenances attributable to the building or part, where

(a) the building or part is not described in paragraph 3, and

(b) all or substantially all of the supplies of residential units in the building or part by way of lease, licence or similar arrangement are, or are expected to be, for periods of continuous possession or use of less than 60 days;

“residential trailer park” of a person means

(1) the land that is included in a trailer park of the person or, where the person has two or more trailer parks that are immediately contiguous to each other, the land that is included in those contiguous trailer parks, and any buildings, fixtures and other appurtenances to the land that are reasonably necessary

(a) for the use and enjoyment of sites in the trailer parks by individuals

i. residing in mobile homes, or travel trailers, motor homes or similar vehicles or trailers, situated or to be situated on those sites, or

ii. occupying mobile homes, or travel trailers, motor homes or similar vehicles or trailers, situated or to be situated on those sites, or

(b) for the purpose of engaging in the business of supplying those sites by way of lease, licence or similar arrangement;

however, “residential trailer park” does not include such land and appurtenances or any part of them unless the land encompasses at least two sites and



(2) all or substantially all of the sites in the trailer parks are supplied, or are intended to be supplied, by way of lease, licence or similar arrangement under which continuous possession or use of a site is provided

(a) for a period of at least one month, in the case of a mobile home or other residential unit, and

(b) for a period of at least 12 months, in the case of a travel trailer, motor home or similar vehicle or trailer that is not a residential unit, and

(3) if the sites were occupied by mobile homes, they would be suitable for use by individuals as places of residence throughout the year;

“residential unit” means the whole or part of a residential unit held in co-ownership, detached house, semi-detached house, rowhouse unit, mobile home, floating home, apartment, a room or suite in an inn, a hotel, a motel, a boarding house or a lodging house or in a residence for students, seniors, individuals with a disability or other individuals, or the whole or part of any other similar premises, that

(1) is occupied by an individual as a place of residence or lodging,

(2) is supplied by way of lease, licence or similar arrangement for the occupancy thereof as a place of residence or lodging for individuals,

(3) is vacant, but was last occupied or supplied as a place of residence or lodging for individuals, or

(4) has never been used or occupied for any purpose, but is intended to be used as a place of residence or lodging for individuals;

“residential unit held in co-ownership” means a residential complex that is, or is intended to be, a bounded space in a building described as a distinct entity on the declaration of co-ownership entered in the land register and includes any interest in land pertaining to ownership of the entity;

“retail sale” of a motor vehicle means

(1) the sale of a motor vehicle to a person who receives it for any other purpose than to again make a supply of it by way of sale, otherwise than by way of gift, or by way of lease under an agreement under which continuous possession or use of the vehicle is provided to a person for a period of at least one year;

(2) the sale of a new motor vehicle to a person who receives it to again make a supply of it by way of sale, otherwise than by way of gift, and who acquires it through a mandatary for the purpose of shipping the vehicle outside Québec;

“road vehicle” has the meaning assigned by section 4 of the Highway Safety Code (chapter C-24.2);

“sale”, in respect of property, includes, but for the purposes of subparagraph 2 of the second paragraph of section 17, any transfer of the ownership of the property and any transfer of the possession of the property under an agreement to transfer ownership of the property;

“school authority” means a school service centre, a school board or an institution providing educational services at the elementary or secondary level that is governed by the Act respecting private education;

“secured creditor” means

(1) a particular person who has a security interest in the property of another person; or

(2) a person who acts on behalf of the particular person with respect to the security interest and includes

(a) a trustee appointed under a trust deed relating to a security interest,

(b) a receiver or receiver-manager appointed by the particular person or appointed by a court on the application of the particular person,

(c) a sequestrator, or

(d) any other person performing a function similar to that of a person referred to in any of subparagraphs a to c;

“security interest” means any interest in property that secures payment or performance of an obligation, and includes an interest created by or arising out of a security, hypothec, mortgage, lien, pledge, charge, deemed or actual trust, assignment or encumbrance of any kind whatever, however or whenever arising, created, deemed to arise or otherwise provided for;

“segregated fund” of an insurer means a specified group of properties that are held in respect of insurance policies all or part of the reserves for which vary in amount depending on the fair market value of the properties;

“selected listed financial institution” has the meaning assigned by section 433.15.1;

“self-contained domestic establishment” has the meaning assigned by section 1 of the Taxation Act;

“series” means, except for the purposes of section 332.1,

(1) in respect of a trust, a class of units of the trust;

(2) in respect of a corporation, a class of the capital stock of the corporation that has not been issued in one or more series, or a series of a class of the capital stock of the corporation that has been issued in one or more series; and

(3) in respect of a partnership, a class of units of the partnership;

“service” means anything other than property, money and anything that is supplied to an employer by a person who is or agrees to become an employee of the employer in the course of or in relation to his office or employment;

“short-term accommodation” means a residential complex or a residential unit that is supplied to a recipient by way of lease, licence or other similar arrangement for the purpose of its occupancy by an individual as a place of residence or lodging, where the period throughout which the individual is given continuous occupancy of the complex or unit is less than one month and, for the purposes of sections 357.2 to 357.5,

(1) includes any type of overnight shelter (other than shelter on a train, trailer, boat or structure that has means of, or is capable of being readily adapted for, self-propulsion) when supplied as part of a tour package, within the meaning assigned by section 63, that also includes food and the services of a guide, and

(2) does not include a residential complex or unit when it

(a) is supplied to the recipient under a timeshare arrangement, or

(b) is included in that part of a tour package that is not the taxable portion of the tour package, within the meaning assigned to those expressions by section 63;

“single unit residential complex” means a residential complex that contains only one residential unit, but does not include a residential unit held in co-ownership;

“small supplier” means a person who, at any time, is a small supplier

(1) under sections 294 to 297, unless the person is not, at that time, a small supplier under section 148 of the Excise Tax Act, or

(2) under sections 297.0.1 and 297.0.2, unless the person is not, at that time, a small supplier under section 148.1 of the Excise Tax Act;

“specified corporeal movable property” means property that is, or is an interest in,

(1) a drawing, a print, an etching, a sculpture, a painting or other similar work of art,

(2) jewellery,

(3) a rare folio, manuscript or book,

(4) a stamp,

(5) a coin, or

(6) prescribed movable property;

“specified Québec consumer” has the meaning assigned by section 477.2;

“sponsor” of a convention means the person who convenes the convention and supplies admissions to it;

“straddle plant” means a natural gas processing plant devoted primarily to the recovery of natural gas liquids or ethane from natural gas that is transported by pipeline to the plant by a common carrier of natural gas;

“stratified investment plan” means a distributed investment plan whose units are issued in two or more series;

“substantial renovation” of a residential complex means the renovation or alteration of the whole or that part of a building described in any of paragraphs 1 to 5 of the definition of “residential complex” in which one or more residential units are located to such an extent that all or substantially all of the building or part, as the case may be, other than the foundation, external walls, interior supporting walls, floors, roof, staircases and, in the case of that part of a building described in paragraph 2 of that definition, the common areas and other appurtenances, that existed immediately before the renovation or alteration was begun has been removed or replaced if, after completion of the renovation or alteration, the building or part, as the case may be, is, or forms part of, a residential complex;

“Superintendent” means the Superintendent of Financial Institutions appointed in accordance with the Office of the Superintendent of Financial Institutions Act (R.S.C. 1985, c. 18 (3rd Suppl.));

“supplier”, in respect of a supply, means the person making the supply;

“supply” means the provision of property or a service in any manner, including sale, transfer, barter, exchange, licence, lease, gift or alienation;

“tax” means tax payable under this Title;

“taxable supply” means a supply that is made in the course of a commercial activity;

“taxation year” of a person means

(1) where the person is a taxpayer within the meaning of the Taxation Act, other than an unincorporated person exempt in accordance with Book VIII of that Act from tax under Part I of that Act, the taxation year of the person for the purposes of that Act,

(1.1) where the person is a partnership described in subparagraph ii of subparagraph *b* of the second paragraph of section 7 of that Act, the fiscal period of the person’s business, determined under section 7 of that Act, and

(2) in any other case, the period that would be the taxation year of the person for the purposes of that Act if the person were a corporation other than a professional corporation within the meaning of section 1 of that Act;

“taxi business” means

(1) a business carried on in Québec of transporting passengers by taxi or other similar vehicle for fares that are regulated by the Act respecting remunerated passenger transportation by automobile (chapter T-11.2); or

(2) a business carried on in Québec by a person of transporting passengers, for a fare, by motor vehicle—which vehicle would be an automobile within the meaning that would be assigned by section 1 of the Taxation Act if the definition it sets out were read without reference, in its paragraph *b*, to “a motor vehicle acquired or leased primarily for use as a taxi,” and without reference to its paragraph *d*—within and in the vicinity of the territory of a municipality if the transportation is organized or coordinated through an electronic platform or system other than

(a) the part of the business that is not a business of making taxable supplies;

(b) the part of the business that is a business of offering sightseeing services or providing transportation for elementary or secondary school students; or

(c) a prescribed business or a prescribed activity of a business;

“telecommunication” means any transmission, emission or reception of signs, signals, writing, images, sounds or intelligence of any nature by any wire, cable, radio, optical or other electromagnetic system, or by any similar technical system;

“telecommunication service” means

(1) the service of emitting, transmitting or receiving signs, signals, writing, images or sounds or intelligence of any nature by wire, cable, radio, optical or other electromagnetic system, or by any similar technical system, or

(2) making available for such emission, transmission or reception telecommunications facilities of a person who carries on the business of supplying services referred to in paragraph 1;

“telecommunications facility” means any facility, apparatus or other thing, including any wire, cable, radio, optical or other electromagnetic system, or any similar technical system, or any part thereof, that is used or is capable of being used for telecommunications;

“testamentary trust” has the meaning assigned by section 1 of the Taxation Act;

“trailer park” of a person means a piece of land that is owned by or leased to the person and that is exclusively composed of

(1) one or more sites each of which is, or is intended to be, supplied by the person by way of lease, licence or similar arrangement to the owner, lessee or person in occupation or possession of a mobile home, or a travel trailer, motor home or similar vehicle or trailer, situated or to be situated on the site, and

(2) other land that is reasonably necessary

(a) for the use and enjoyment of the sites by individuals

i. residing in mobile homes, or travel trailers, motor homes or similar vehicles or trailers, situated or to be situated on those sites, or

ii. occupying mobile homes, or travel trailers, motor homes or similar vehicles or trailers, situated or to be situated on those sites, or

(b) for the purpose of engaging in the business of supplying the sites by way of lease, licence or similar arrangement;

“unit” means

(1) in respect of a trust, a unit of the trust;

(2) in respect of a series of a trust, a unit of the trust of that series;

(3) in respect of a corporation, a share of the capital stock of the corporation;

(4) in respect of a series of a corporation, a share of the capital stock of the corporation of that series;

(4.1) in respect of a partnership, a person’s share in the partnership;

(4.2) in respect of a series of a partnership, a unit of the partnership of that series; and

(5) in respect of a segregated fund of an insurer, an interest of a person, other than the insurer, in the segregated fund;

“university” means

(1) an educational institution at the university level within the meaning of the Act respecting educational institutions at the university level (chapter E-14.1), or

(2) a recognized degree-granting institution situated in Québec or an organization situated in Québec that operates a research body of, or a college affiliated with, such an institution;

“used corporeal movable property” means corporeal movable property that has been used in Québec;

“virtual payment instrument” means property that is a digital representation of value, that functions as a medium of exchange and that only exists at a digital address of a publicly distributed ledger, other than property that

(1) confers a right, whether immediate or future and whether absolute or contingent, to be exchanged or redeemed for money or specific property or services or to be converted into money or specific property or services;

(2) is primarily for use within, or as part of, a gaming platform, an affinity or rewards program or a similar platform or program; or

(3) is prescribed property;

“zero-rated supply” means a supply described in Chapter IV.

1991, c. 67, s. 1; 1992, c. 21, s. 372; 1993, c. 19, s. 167; 1992, c. 68, s. 156, s. 157; 1994, c. 22, s. 364; 1995, c. 1, s. 247; 1994, c. 23, s. 23; 1995, c. 63, s. 299; 1997, c. 3, s. 115; 1997, c. 14, s. 329; 1997, c. 31, s. 146; 1997, c. 85, s. 418; 1998, c. 16, s. 309; 1999, c. 83, s. 333; 1999, c. 14, s. 30; 2000, c. 25, s. 26; 2000, c. 56, s. 218; 2001, c. 51, s. 258; 2001, c. 53, s. 272; 2002, c. 9, s. 151; 2003, c. 2, s. 307; 2002, c. 45, s. 621; 2004, c. 37, s. 90; 2005, c. 1, s. 347; 2005, c. 38, s. 362; 2007, c. 12, s. 317; 2009, c. 5, s. 595; 2011, c. 6, s. 232; 2011, c. 34, s. 140; 2012, c. 28, s. 29; 2013, c. 10, s. 216; 2015, c. 21, s. 615; 2015, c. 36, s. 201; 2017, c. 29, s. 244; 2018, c. 18, s. 58; 2018, c. 18, s. 74; 2019, c. 14, s. 532; 2020, c. 1, s. 309; 2020, c. 16, s. 196; 2021, c. 14, s. 220; 2021, c. 18, s. 173; 2022, c. 23, s. 178; 2023, c. 19, s. 132; 2024, c. 11, s. 163; I.N. 2024-05-27; 2023, c. 34, s. 1426; 2024, c. 41, s. 201; 2025, c. 27, s. 161; 2025, c. 35, s. 182.

## DIVISION II

### INTERPRETATION

**1.1.** For the purposes of this Title and the regulations, a legal person, whether or not established for pecuniary gain, is designated by the word “corporation”.

1997, c. 3, s. 116.

**1.2.** For the purposes of this Title and the regulations made thereunder, any reference to the spouse of an individual or to marriage shall be interpreted as if the rules set out in section 2.2.1 of the Taxation Act (chapter I-3) applied, with the necessary modifications.

2005, c. 1, s. 348.

**2.** Except as otherwise provided in this Title, where an amount or a number is required under this Title to be determined or calculated by or in accordance with an algebraic formula, if the amount or number when so determined or calculated would, but for this section, be a negative amount or number, it is deemed to be nil.

1991, c. 67, s. 2.

**3.** Related persons are deemed not to deal with each other at arm’s length and it is a question of fact whether persons not related to each other were, at any particular time, dealing with each other at arm’s length.

Persons are related to each other if, by reason of sections 17 and 19 to 21 of the Taxation Act (chapter I-3), they are related to each other for the purposes of that Act.

1991, c. 67, s. 3.

**4.** A member of a partnership is deemed to be related to the partnership.

1991, c. 67, s. 4.

**5.** A corporation is associated with another corporation if, by reason of sections 21.4 and 21.20 to 21.25 of the Taxation Act (chapter I-3), the corporation is associated with the other corporation for the purposes of that Act.

1991, c. 67, s. 5.

**6.** A person other than a corporation is associated with a corporation if the latter is controlled by the person or by a group of persons of which the person is a member and each of whom is associated with the others.

1991, c. 67, s. 6.

**7.** A person is associated with a partnership if the total of the shares of the profits of the partnership to which the person and all other persons who are associated with the person are entitled is more than half of the total profits of the partnership, or would be if the partnership had profits.

1991, c. 67, s. 7.

**8.** A person is associated with a trust if the total of the values of the interests in the trust of the person and all other persons who are associated with the person is more than half of the total value of all interests in the trust.

1991, c. 67, s. 8.

**9.** A person is associated with another person if each of them is associated with the same third person.

1991, c. 67, s. 9.

**9.1.** Where an arrangement is deemed to be a trust under section 7.10 or 7.10.1 of the Taxation Act (chapter I-3), the following rules apply:

(1) the arrangement is deemed to be a trust;

(2) property subject to rights and obligations under the arrangement is deemed to be held in trust and not otherwise;

(3) in the case of an arrangement referred to in section 7.10 of that Act, a person that has a right (whether immediate or future and whether absolute or contingent) to receive all or part of the income or capital in respect of property that is referred to in that section is deemed to be beneficially interested in the trust; and

(4) in the case of an arrangement referred to in section 7.10.1 of that Act, any property contributed at any time to the arrangement by an annuitant, a holder or a subscriber of the arrangement is deemed to have been transferred, at that time, to the trust by the annuitant, the holder or the subscriber, as the case may be.

2020, c. 16, s. 197.

**10.** The following rules apply in respect of a segregated fund of an insurer:

(1) the segregated fund is deemed to be a trust that is a separate person from the insurer and that does not deal at arm's length with the insurer;

(2) the insurer is deemed to be a trustee of the trust;

(3) the activities of the segregated fund are deemed to be activities of the trust and not activities of the insurer.

1991, c. 67, s. 10.

**10.1.** Where, at any time, an amount, other than an amount in respect of tax under this Title, is deducted from the segregated fund of an insurer, the following rules apply:

(1) if the amount is in respect of property or a service that the fund is, because of the application of this Title other than this section, considered to have acquired from the insurer, that supply shall be deemed to be a taxable supply, other than a zero-rated supply, and the amount shall be deemed to be consideration for that supply that becomes due at that time; and

(2) if the amount is not in respect of property or a service that the fund is, because of the application of this Title other than this section, considered to have acquired either from the insurer or another person, the insurer shall be deemed to have made, and the fund shall be deemed to have received, at that time, a taxable supply, other than a zero-rated supply, of a service, and the amount shall be deemed to be consideration for the supply that becomes due at that time.

The first paragraph does not apply to an amount deducted from a segregated fund of an insurer if

(1) the amount is a distribution of income, a payment of a benefit, or the amount of a redemption, in respect of an interest of another person in the fund; or

(2) the amount is a prescribed amount.

2001, c. 53, s. 273.

**11.** A person is deemed to be resident in Québec at any time if,

(1) in the case of a corporation, the corporation is incorporated or continued in Québec and not continued elsewhere;

(2) in the case of an association, a club, a body or a partnership, or a branch thereof, the member, or a majority of the members, having management and control thereof is or are resident in Québec at that time;

(3) in the case of an association of employees, it is carrying on activities as such in Québec and has a local union or branch in Québec at that time;

(4) in the case of an individual, the individual is deemed under any of paragraphs *b* to *f* of section 8 of the Taxation Act (chapter I-3) to be resident in Québec at that time.

1991, c. 67, s. 11; 1997, c. 85, s. 419.

**11.1.** Except for the purpose of determining the place of residence of an individual in the individual's capacity as a consumer and except for the purposes of Division V of Chapter IV, a person is deemed to be resident in Québec if the person is resident in Canada and has a permanent establishment in Québec.

For the purposes of Division V of Chapter IV, a person who is not resident in Québec but who is resident in Canada and has a permanent establishment in Québec is deemed to be resident in Québec, but only in respect of activities carried on by the person through that establishment.

1997, c. 85, s. 420; 1999, c. 83, s. 306; 2001, c. 51, s. 259.

**11.1.1.** A person resident in Québec who has a permanent establishment outside Québec but within Canada is deemed not to be resident in Québec, but only in respect of activities carried on by the person through that establishment.

1999, c. 83, s. 307.

**11.2.** For the purposes of sections 11.1, 11.1.1 and 22.2 to 22.30, "permanent establishment" of a person means

(1) in the case of an individual, the succession of a deceased individual or a trust that carries on a business, within the meaning of section 1 of the Taxation Act (chapter I-3), an establishment, within the meaning of the first paragraph of section 12 or section 13 or 15 of the Taxation Act, of the person;

(2) in the case of a corporation that carries on a business, within the meaning of section 1 of the Taxation Act, an establishment, within the meaning of the first paragraph of section 12 or any of sections 13 to 16.0.1 of the Taxation Act;

(3) in the case of a particular partnership,

(a) an establishment, within the meaning of the first paragraph of section 12 or section 13 or 15 of the Taxation Act, of a member that is an individual, the succession of a deceased individual or a trust where the establishment relates to a business, within the meaning of section 1 of the Taxation Act, carried on through the partnership,

(b) an establishment, within the meaning of the first paragraph of section 12 or any of sections 13 to 16.0.1 of the Taxation Act, of a member that is a corporation where the establishment relates to a business, within the meaning of section 1 of the Taxation Act, carried on by the particular partnership, or

(c) a permanent establishment, within the meaning of this section, of a member that is a partnership where the establishment relates to a business, within the meaning of section 1 of the Taxation Act, carried on by the particular partnership; and

(4) in any other case, a place that would be an establishment, within the meaning of the first paragraph of section 12 or any of sections 13 to 16.0.1 of the Taxation Act, of the person if the person were a corporation and its activities were a business for the purposes of that Act.

1997, c. 85, s. 420; 1999, c. 83, s. 308; 2013, c. 10, s. 217.

### **11.3.** *(Repealed).*

2015, c. 21, s. 616; 2022, c. 23, s. 179.

**12.** A person not resident in Canada who has a permanent establishment in Québec is deemed to be resident in Québec, but only in respect of activities carried on by the person through that establishment.

1991, c. 67, s. 12; 1997, c. 85, s. 421.

**12.1.** Subject to section 12, where, under section 11.1.1 of the Taxation Act (chapter I-3), a corporation is deemed for the purposes of that Act to be resident in a country other than Canada throughout a taxation year of the corporation and not to be resident in Canada at any time in the year, the corporation is deemed to be resident in that other country throughout the year and not to be resident in Canada at any time in the year.

1994, c. 22, s. 365.

**12.2.** Subject to section 12, an investment limited partnership is deemed not to be resident in Québec at any time if, at that time, the total value of all shares in the investment limited partnership held by members of the investment limited partnership that are not resident in Québec (other than prescribed members) is 95% or more of the total value of all shares in the investment limited partnership.

2022, c. 23, s. 180.

**13.** A person resident in Québec who has a permanent establishment outside Canada is deemed not to be resident in Québec, but only in respect of activities carried on by the person through that establishment.

1991, c. 67, s. 13; 1997, c. 85, s. 421.



**14.** For the purposes of section 351, a person resident in Canada who has a permanent establishment outside Canada is deemed not to be resident in Canada, but only in respect of activities carried on by the person through that establishment.

1991, c. 67, s. 14.

**14.1.** A person not resident in Québec is deemed to be resident in Canada at any time if the person is deemed to be resident in Canada at that time under the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15).

1995, c. 63, s. 300.

**15.** The fair market value of property or a service supplied to a person is determined without reference to any tax excluded by section 52 from the consideration for the supply.

1991, c. 67, s. 15.

**15.1.** In applying the definition of “basic tax content” in section 1 at any time subsequent to 31 December 2012, in relation to a person’s property, any amount of tax that became payable before 1 January 2013 is not taken into consideration where

(1) the property is referred to in the fifth paragraph of section 255.1 or in section 259.1 or 262.1; or

(2) the property was held by the person immediately before 1 January 2013 and the person’s registration is cancelled as of that date in accordance with section 417.0.1.

2012, c. 28, s. 30.

**15.2.** For the purposes of this Title, a local authority, other than a local authority referred to in subparagraph *b* of paragraph 2 of the definition of “municipality” in section 1, that files an application with the Minister of National Revenue to be determined to be a municipality under paragraph *b* of the definition of “municipality” in subsection 1 of section 123 of the Excise Tax Act (R.S.C. 1985, c. E-15) shall, at that time, file an application with the Minister of Revenue to be determined to be a municipality under subparagraph *a* of paragraph 2 of the definition of “municipality” in section 1.

2017, c. 29, s. 245.

## CHAPTER II

### TAXATION

#### DIVISION I

##### IMPOSITION OF TAX

###### § 1. — *Taxable supply made in Québec*

1994, c. 22, s. 366.

**16.** Every recipient of a taxable supply made in Québec shall pay to the Minister of Revenue a tax in respect of the supply calculated at the rate of 9.975% on the value of the consideration for the supply.

However, the rate of the tax in respect of a taxable supply that is a zero-rated supply is 0%.

1991, c. 67, s. 16; 1993, c. 19, s. 168; 1994, c. 22, s. 367; 1995, c. 1, s. 248; 1997, c. 85, s. 422; 2010, c. 5, s. 206; 2011, c. 6, s. 233; 2012, c. 28, s. 31.

**16.1.** Every recipient of a zero-rated supply of a product mentioned in paragraph 1.1 of section 177 who begins, at any time, to use the product to make wine or beer shall, immediately after that time, pay to the Minister a tax in respect of the product calculated at the rate of 9.975% of the value of the consideration for the supply.

This section does not apply in respect of a product that a registrant begins to use exclusively in the course of his commercial activities and in respect of which the registrant would be entitled to claim an input tax refund had he paid the tax provided for in the first paragraph in respect of the product.

1997, c. 14, s. 330; 1997, c. 85, s. 423; 2010, c. 5, s. 207; 2011, c. 6, s. 234; 2012, c. 28, s. 32.

§ 2. — *Bringing into Québec of corporeal property*

1994, c. 22, s. 368.

**17.** Every person who brings into Québec corporeal property for consumption or use in Québec by the person or at the person's expense by another person or for supply in Québec for consideration where the person is a small supplier who is not a registrant or, in the case of a road vehicle, a person who is not registered under Division I of Chapter VIII shall, immediately after the bringing into Québec of the property, pay to the Minister a tax in respect of that property, calculated at the rate of 9.975% on the value of the property.

For the purposes of the first paragraph, the value of the property means

(1) in the case of property produced by the person outside Québec but in Canada and brought into Québec within 12 months after it is produced, the cost price of the property;

(2) in the case of property, other than a road vehicle referred to in subparagraph 2.1 or 2.1.1, supplied to the person outside Québec by way of sale and consumed or used in Québec within 12 months after it is supplied, the value of the consideration for the supply;

(2.1) in the case of a used road vehicle supplied to the person outside Québec by way of sale that must be registered under the Highway Safety Code (chapter C-24.2) following an application by the person, other than a road vehicle referred to in subparagraph 2.1.1,

(a) where the vehicle is used in Québec within 12 months after the supply, the value of the consideration for the supply or, if the supply is made for no consideration or for consideration less than the estimated value of the vehicle, that estimated value, and

(b) where the vehicle is not used in Québec within 12 months after the supply, the estimated value of the vehicle;

(2.1.1) in the case of a used road vehicle supplied to the person outside Québec by way of sale that must be registered under the Highway Safety Code following an application by the person, if the supply of the vehicle was made between related individuals, the value of the consideration for the supply;

(2.2) in the case of property supplied by way of sale outside Québec to a person who is a small supplier, other than a registrant, and who brings the property into Québec for supply in Québec for consideration,

(a) if the property is property other than a used road vehicle referred to in subparagraph *b*, the value of the consideration, and

(b) if the property is a used road vehicle that must be registered under the Highway Safety Code following an application by the person, the value of the consideration for the supply to the person or, where the supply is made without consideration or for consideration less than the estimated value of the vehicle, that estimated value;

(3) in the case of property supplied to the person by way of lease, licence or similar arrangement outside Québec, the value of the consideration for the supply that can reasonably be attributed to the right of enjoyment of the property in Québec;

(4) in any other case, the fair market value of the property.

Notwithstanding the second paragraph, the value of property brought into Québec in prescribed circumstances shall be determined in the prescribed manner.

The first paragraph does not apply in respect of

(1) corporeal property, where tax under section 16 is payable in respect of the supply of the property;

(2) goods to which section 81 applies;

(3) *(subparagraph repealed)*;

(4) corporeal property brought into Québec by a registrant for exclusive consumption or use in the course of the commercial activities of the registrant and in respect of which the registrant would, if he had paid tax under the first paragraph in respect of the property, be entitled to apply for an input tax refund;

(5) corporeal property that was brought into Québec by a person and that comes from Canada outside Québec, if the total of all amounts, each of which is an amount of tax that, but for this subparagraph and subparagraph 8 of the third paragraph of section 18.0.1, would become payable by the person under the first paragraph or the first paragraph of section 18.0.1, is \$35 or less in the calendar month that includes the day on which the property was brought into Québec;

(6) corporeal property that a person that is a pension entity of a pension plan brings into Québec and that comes from Canada outside Québec, as a consequence of a particular supply of the property by a participating employer of the pension plan where

(a) the amount determined by the formula in subparagraph 3 of the first paragraph of section 289.5 in respect of a supply of that property that is deemed to have been made by the participating employer under subparagraph 1 of the first paragraph of section 289.5 is greater than zero,

(a.1) the amount determined for the pension plan by the formula in subparagraph 3 of the first paragraph of section 289.5.1 in respect of a supply of that property that is deemed to have been made by the participating employer under subparagraph 1 of the first paragraph of that section is greater than zero,

(b) the amount determined by the formula in subparagraph 3 of the first paragraph of section 289.6 in respect of any supply of an employer resource that is deemed to have been made by the participating employer under subparagraph 1 of the first paragraph of section 289.6, consumed or used for the purpose of making the particular supply, is greater than zero, or

(c) the amount determined for the pension plan by the formula in subparagraph 3 of the first paragraph of section 289.6.1 in respect of any supply of an employer resource that is deemed to have been made by the participating employer under subparagraph 1 of the first paragraph of that section, consumed or used for the purpose of making the particular supply, is greater than zero;

(7) corporeal property that a person, that is a provincial investment plan as regards Québec or a provincial stratified investment plan, brings into Québec, that comes from Canada outside Québec, other than a road vehicle that must be registered under the Highway Safety Code as a consequence of an application by the person, and, where the person is a provincial stratified investment plan, that the person brings into Québec for consumption, use or supply in the course of activities relating to one or more provincial series of the person as regards Québec;

(8) a used road vehicle supplied to a person outside Québec that must be registered under the Highway Safety Code following an application by the person, if the supply of the vehicle was made between related individuals by way of gift or between individuals in settlement of rights arising out of their marriage.

A person who brings corporeal property into Québec includes any person who causes such property to be brought into Québec.

Subparagraph 5 of the fourth paragraph applies only to corporeal property the supply of which is made outside Québec otherwise than by reason of section 23.

For the purposes of this section, corporeal property bound for Québec that is present in a preclearance perimeter or preclearance area, within the meaning of section 46 of the Preclearance Act, 2016 (S.C. 2017, c. 27), is deemed to be brought into Québec.

1991, c. 67, s. 17; 1993, c. 19, s. 169; 1995, c. 1, s. 249; 1995, c. 63, s. 301; 1997, c. 85, s. 424; 2001, c. 51, s. 260; 2010, c. 5, s. 208; 2011, c. 34, s. 141; 2011, c. 6, s. 235; 2012, c. 28, s. 33; 2015, c. 21, s. 617; 2018, c. 18, s. 75; 2021, c. 18, s. 174; 2022, c. 23, s. 181; 2024, c. 39, s. 127; 2024, c. 41, s. 202.

**17.0.1.** For the purposes of subparagraph 2.1 and subparagraph *b* of subparagraph 2.2 of the second paragraph of section 17, the estimated value of a road vehicle is

(1) in the case of a vehicle for which the average wholesale price is listed in the most recent edition, on the first day of the month in which the vehicle is brought into Québec, of the *Guide d'Évaluation Hebdo (Automobiles et Camions Légers)* published by Société Trader Corporation, that price less an amount of \$500;

(1.1) (*paragraph repealed*);

(2) in the case of a vehicle for which an average wholesale price is listed in the most recent edition, on the first day of the month preceding the month in which the vehicle is brought into Québec, of the *Canadian Motorcycle Dealers Blue Book* published by All Seasons Publications Ltd., that price less an amount of \$500;

(3) in the case of a vehicle for which an average wholesale price is listed in the most recent edition, on the first day of the month preceding the month in which the vehicle is brought into Québec, of the *Canadian ATV, Snowmobile & Watercraft Dealers Blue Book* published by All Seasons Publications Ltd., that price less an amount of \$500; and

(4) in any other case, the value of the vehicle determined by the Minister.

1995, c. 1, s. 250; 1995, c. 63, s. 302; 1997, c. 14, s. 331; 2000, c. 39, s. 280; 2017, c. 1, s. 444; 2017, c. 29, s. 246.

**17.0.2.** Where subparagraph *a* of subparagraph 2.1 or subparagraph *b* of subparagraph 2.2 of the second paragraph of section 17 applies in respect of a road vehicle that is damaged or that shows unusual wear at the time it is supplied to a person, that is brought into Québec by the person immediately after that time and immediately after the bringing of the vehicle into Québec, the person provides the Minister or a person prescribed for the purposes of section 473 with a written estimate of the vehicle or of the repairs to be carried out in respect of the vehicle, that meets the requirements of the third paragraph of section 55.0.3, the value of the vehicle that corresponds to the estimated value of the vehicle described in section 17.0.1 may be reduced by an amount equal to

(1) the amount by which that value exceeds the value of the vehicle stated in the written estimate; or

(2) the amount by which the value stated in the written estimate of the repairs to be carried out in respect of the vehicle exceeds \$500.

1995, c. 1, s. 250; 1995, c. 63, s. 303; 2004, c. 21, s. 527; 2005, c. 23, s. 273.

**17.1.** For the purposes of section 17, where a person brings into Québec a road vehicle (in this section referred to as the “road vehicle brought”) that must be registered under the Highway Safety Code (chapter C-24.2) following an application by the person and which the person acquired by way of a supply made outside Québec by a supplier of another jurisdiction, the value of the vehicle on which the tax under the said section must be calculated shall be reduced by any credit granted by the supplier for another road vehicle he accepted in full or partial consideration for the supply of the road vehicle brought, where the following conditions are met:

(1) the person owned the road vehicle thus given in exchange and paid, in respect of the vehicle, tax under this Act or the tax prescribed by Chapter II of the Retail Sales Tax Act (chapter I-1), or any tax of the same nature levied by another jurisdiction, other than the tax payable under Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15);

(2) the road vehicle thus given in exchange was a used vehicle and, where tax was paid in respect of that vehicle, the person is not entitled to a rebate of the tax so paid;

(3) the jurisdiction in which the supply of the road vehicle brought was made grants the same tax abatement to persons resident or carrying on a business in its territory;

(4) *(paragraph repealed)*;

(5) the person is not required to collect the tax payable under Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15) in respect of a road vehicle so given in exchange.

1993, c. 19, s. 170; 1995, c. 63, s. 304; 1999, c. 83, s. 309; 2002, c. 9, s. 152; 2019, c. 14, s. 533.

**17.2.** *(Repealed).*

1993, c. 19, s. 170; 1995, c. 63, s. 305.

**17.3.** *(Repealed).*

1993, c. 19, s. 170; 1995, c. 1, s. 251; 1995, c. 63, s. 306.

**17.4.** Notwithstanding section 17, no tax is payable in respect of corporeal property brought into Québec for consumption, use or supply as supplies related to a convention where the property is brought into Québec by the sponsor of a foreign convention or the organizer of such a convention who is not registered under Division I of Chapter VIII.

1994, c. 22, s. 369.

**17.4.1.** If, but for this section, tax under section 17 would become payable by a person in respect of corporeal property that comes from Canada outside Québec and that the person brings into Québec when the person is a selected listed financial institution, that tax is not payable unless it is an amount of tax that

(1) is a prescribed amount of tax for the purposes of subparagraph *a* of subparagraph 6 of the second paragraph of section 433.16 or subparagraph *a* of subparagraph 4 of the second paragraph of section 433.16.2; or

(2) is in respect of a property acquired otherwise than for consumption, use or supply in the course of an endeavour, within the meaning assigned by section 42.0.1, of the person.

2012, c. 28, s. 34; 2015, c. 21, s. 618.

**17.5.** Subject to section 404, a person is entitled to a rebate of tax paid under section 17 in respect of the bringing into Québec of corporeal property from outside Canada where

(1) the person paid tax in respect of the property acquired by the person on consignment, approval or other similar terms;

(2) the property is, within 60 days after its release within the meaning of the Customs Act (Revised Statutes of Canada, 1985, chapter 1, 2nd Supplement) but before it is used or consumed otherwise than on a trial basis, shipped outside Québec by the person for the purpose of returning it to the supplier and is not damaged after its release and before its shipping; and

(3) within two years after the day the tax was paid, the person files with the Minister an application, in prescribed form containing prescribed information, for a rebate of the tax.

1994, c. 22, s. 369; 1997, c. 85, s. 425.

**17.6.** Subject to section 404, a person is entitled to a rebate of tax paid under section 17 in respect of the bringing into Québec of corporeal property from Canada but outside Québec where

(1) the person paid tax in respect of the property acquired by the person on consignment, approval or other similar terms;

(2) the property is, within 60 days after its being brought into Québec but before it is used or consumed otherwise than on a trial basis, shipped outside Québec by the person for the purpose of returning it to the supplier and is not damaged after its being brought into Québec and before its shipping; and

(3) within two years after the day the tax was paid, the person files with the Minister an application, in prescribed form containing prescribed information, for a rebate of the tax.

1994, c. 22, s. 369; 1997, c. 85, s. 426.

**17.7.** Subject to section 404, an individual is entitled to a rebate of tax paid under section 17 in respect of the bringing into Québec of a pleasure boat for the purpose of storing it during the winter where

(1) the individual paid tax in respect of the bringing into Québec of the pleasure boat;

(2) the pleasure boat is taken or shipped outside Québec within a reasonable period of time after the winter storage;

(3) within four years after the date on which the pleasure boat was taken or shipped outside Québec, the individual files with the Minister an application, in prescribed form containing prescribed information, for a rebate of the tax; and

(4) the application for a rebate is filed with proof establishing that the individual paid tax in respect of the pleasure boat and that the pleasure boat was shipped or taken outside Québec after the winter storage.

1997, c. 14, s. 332.

**§ 3.** — *Taxable supply made outside Québec or by a non-resident person who is not registered and other supplies*

1994, c. 22, s. 369; 1995, c. 1, s. 252; 2003, c. 2, s. 308.

**18.** Every recipient of a taxable supply, except a zero-rated supply (other than the zero-rated supply included in paragraph 2.1 or in any of sections 179.1, 179.2 and 191.3.2) or a supply included in any of sections 18.0.1, 18.0.1.1 and 18.0.1.2, shall pay to the Minister, each time all or part of the consideration for the supply becomes due or is paid without having become due, a tax in respect of the supply equal to the amount determined in accordance with the second paragraph if the supply is

(1) a supply, other than a prescribed supply, of a service made outside Québec to a person who is resident in Québec, other than a supply of a service that is

(a) acquired for consumption, use or supply exclusively in the course of commercial activities of the person or activities that are engaged in exclusively outside Québec by the person and that are not part of a business or an adventure or concern in the nature of trade engaged in by the person in Québec,

(b) consumed by an individual exclusively outside Québec, other than a training service the supply of which is made to a person who is not a consumer,

(c) in respect of an immovable situated outside Québec,

(d) a service (other than a custodial or nominee service in respect of securities or precious metals of the person) in respect of corporeal movable property that is

i. situated outside Québec at the time the service is performed, or

ii. shipped outside Québec as soon after the service is performed as is reasonable having regard to the circumstances surrounding the shipping outside Québec and is not consumed, used or supplied in Québec after the service is performed and before the shipping outside Québec of the property,

(e) a transportation service, other than a freight transportation service the supply of which is referred to in section 24.2, or

(f) a service rendered in connection with criminal, civil or administrative litigation outside Québec, other than a service rendered before the commencement of such litigation;

(2) a supply, other than a prescribed supply, of incorporeal movable property made outside Québec to a person who is resident in Québec, other than a supply of property that

(a) is acquired for consumption, use or supply exclusively in the course of commercial activities of the person or activities that are engaged in exclusively outside Québec by the person and that are not part of a business or an adventure or concern in the nature of trade engaged in by the person in Québec,

(b) may not be used in Québec, or

(c) relates to an immovable situated outside Québec, to a service to be performed wholly outside Québec or to corporeal movable property situated outside Québec;

(2.1) a supply made in Québec of incorporeal movable property that is a zero-rated supply only because it is included in section 188 or 188.1, other than

(a) a supply that is made to a consumer of the property, or

(b) a supply of incorporeal movable property that is acquired for consumption, use or supply exclusively in the course of commercial activities of the recipient of the supply or activities that are engaged in exclusively outside Québec by the recipient of the supply and that are not part of a business or an adventure or concern in the nature of trade engaged in by that recipient in Québec;

(3) a supply, other than a prescribed supply, of corporeal movable property made by a person not resident in Québec who is not registered under Division I of Chapter VIII to a recipient who is a registrant where

(a) *(subparagraph repealed)*;

(b) the recipient gives to another registrant a certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of an acquisition of physical possession of the property by the recipient, and

(c) the property

i. is not acquired by the recipient for consumption, use or supply exclusively in the course of commercial activities of the recipient, or

ii. *(subparagraph repealed)*,

iii. is a passenger vehicle that the recipient is acquiring for use in Québec as capital property in the course of commercial activities of the recipient and in respect of which the capital cost to the recipient exceeds the amount that is deemed under any of paragraphs *d.3* to *d.5* of section 99 of the Taxation Act (chapter I-3) to be the capital cost of the passenger vehicle to the recipient for the purposes of that Act;

(3.1) a supply, other than a prescribed supply, of corporeal movable property made by way of sale by a person not resident in Québec who is not registered under Division I of Chapter VIII to a recipient who is a registrant where

(a) the recipient gives to another registrant a certificate described in subparagraph *a* of subparagraph 3 of the first paragraph of section 327.2.1 in respect of an acquisition of physical possession of the property by a third person, and

(b) the property

i. is not acquired by the recipient for consumption, use or supply exclusively in the course of commercial activities of the recipient, or

ii. is a passenger vehicle that the recipient is acquiring for use in Québec as capital property in the course of commercial activities of the recipient and in respect of which the capital cost to the recipient exceeds the amount that is deemed under any of paragraphs *d.3* to *d.5* of section 99 of the Taxation Act to be the capital cost of the passenger vehicle to the recipient for the purposes of that Act;

(4) a supply, other than a prescribed supply, of corporeal movable property made by way of sale at a particular time by a person not resident in Québec who is not registered under Division I of Chapter VIII to a recipient who is a registrant where

(a) the recipient acquires physical possession of the property as the recipient of another supply of the property made by way of lease, licence or similar arrangement and

i. gives to another registrant a certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of that acquisition of physical possession of the property, or

ii. claims an input tax refund in respect of tax that is deemed to have been paid by the recipient under subparagraph 1 of the first paragraph of section 327.7 in respect of the property, and

(b) either

i. the recipient is not acquiring, as the recipient of the taxable supply, the property for consumption, use or supply exclusively in the course of commercial activities of the recipient, or

ii. the property is a passenger vehicle that the recipient is acquiring for use in Québec as capital property in the course of commercial activities of the recipient and in respect of which the capital cost to the recipient exceeds the amount that is deemed under any of paragraphs *d.3* to *d.5* of section 99 of the Taxation Act to be the capital cost of the passenger vehicle to the recipient for the purposes of that Act;

(5) a supply of a continuous transmission commodity, if the supply is deemed under section 23 to be made outside Québec to a registrant by a person who was the recipient of a supply of the commodity that was a zero-rated supply included in section 191.3.1 or that would, but for subparagraph *e* of paragraph 1 of that section, have been included in that section, and the registrant is not acquiring the commodity for consumption, use or supply exclusively in the course of commercial activities of the registrant;



(6) a supply, included in section 191.3.2, of a continuous transmission commodity that is neither shipped outside Québec, as described in subparagraph 1 of the first paragraph of that section, nor supplied, as described in subparagraph 2 of the first paragraph of that section, by the recipient and the recipient is not acquiring the commodity for consumption, use or supply exclusively in the course of commercial activities of the recipient;

(7) a supply of property that is a zero-rated supply only because it is included in section 179.1, if the recipient is not acquiring the property for consumption, use or supply exclusively in the course of commercial activities of the recipient and

(a) an authorization granted to the recipient to use the certificate referred to in that section is not in effect at the time the supply is made, or

(b) the recipient does not ship the property outside Québec in the circumstances described in paragraphs 2 to 4 of section 179;

(8) a supply of property that is a zero-rated supply only because it is included in section 179.2, if the recipient is not acquiring the property for consumption, use or supply exclusively in the course of commercial activities of the recipient and

(a) an authorization granted to the recipient to use the certificate referred to in that section is not in effect at the time the supply is made, or

(b) the recipient is not acquiring the property for use or supply as domestic inventory or as added property, as those expressions are defined in section 350.23.1; or

(9) a supply deemed to be acquired by a qualifying taxpayer, within the meaning of section 26.2, under section 26.3 or 26.4.

The amount to which the first paragraph refers is

(1) in the case of a supply included in subparagraph 1 or 2 of the first paragraph, the amount determined by the formula

$$A \times B \times C;$$

(2) in the case of a supply included in any of subparagraphs 2.1 to 8 of the first paragraph, the amount determined by the formula

$$A \times B \times D; \text{ or}$$

(3) in the case of a supply included in subparagraph 9 of the first paragraph, the amount obtained by multiplying the value of the consideration by 9.975%.

For the purposes of the formulas in the second paragraph,

(1) A is 9.975%;

(2) B is the value of all or part of the consideration that is paid or becomes due at that time;

(3) C is the extent, expressed as a percentage, to which the recipient acquired the property or service for consumption, use or supply in Québec; and

(4) D is

(a) in the case of a supply of corporeal movable property, 100%, or

(b) in any other case, the extent, expressed as a percentage, to which the recipient acquired the property for consumption, use or supply in Québec.

1991, c. 67, s. 18; 1993, c. 19, s. 171; 1994, c. 22, s. 370; 1995, c. 1, s. 357; 1995, c. 1, s. 253; 1995, c. 63, s. 307; 1997, c. 85, s. 427; 2001, c. 53, s. 274; 2003, c. 2, s. 309; 2009, c. 5, s. 596; 2009, c. 15, s. 482; 2010, c. 5, s. 209; 2011, c. 6, s. 236; 2012, c. 28, s. 35; 2015, c. 21, s. 619; 2021, c. 14, s. 221; 2021, c. 18, s. 175; 2024, c. 11, s. 164.

**18.0.1.** Every person who is resident in Québec and is the recipient of a taxable supply of incorporeal movable property or a service made outside Québec, otherwise than by reason of section 23 or 24.2, but within Canada, other than a supply included in section 18.0.1.1 or 18.0.1.2, that is acquired by the person for consumption, use or supply to an extent of at least 10% in Québec shall pay to the Minister, each time consideration, or a part thereof, for the supply becomes due or is paid without having become due, a tax in respect of the supply equal to the amount determined by the formula

$A \times B \times C$ .

For the purposes of this formula,

(1) A is 9.975%;

(2) B is the value of the consideration or a part thereof that is paid or becomes due at that time; and

(3) C is the extent, expressed as a percentage, to which the person acquired the property or service for consumption, use or supply in Québec.

No tax is payable in respect of

(1) a supply of property or a service to a registrant, other than a registrant whose net tax is determined under sections 433.1 to 433.15 or under a regulatory provision made under section 434, who acquired the property or service for consumption, use or supply exclusively in the course of commercial activities of the registrant;

(2) a zero-rated supply;

(3) a supply of a service, other than a custodial or nominee service in respect of securities or precious metals of the person, in respect of corporeal movable property that is shipped outside Québec as soon after the service is performed as is reasonable having regard to the circumstances surrounding the shipment outside Québec and is not consumed, used or supplied in Québec after the service is performed and before the property is shipped outside Québec;

(4) a supply of a service rendered in connection with criminal, civil or administrative litigation outside Québec, other than a service rendered before the commencement of such litigation;

(5) a supply of a transportation service;

(6) a supply of a telecommunication service;

(7) a prescribed supply of property or a service where the property or service is acquired by the recipient of the supply in prescribed circumstances, in accordance with such terms and conditions as may be prescribed;

(8) a supply of a property or a service, if the total of all amounts, each of which is an amount of tax that, but for this subparagraph and subparagraph 5 of the fourth paragraph of section 17, would become payable by the person under the first paragraph or the first paragraph of section 17, is \$35 or less in the calendar month that includes the time when all or part of the consideration for the supply becomes due or is paid without having become due; or

(9) a particular supply of property or a service made by a participating employer of a pension plan to a person that is a pension entity of the pension plan where

(a) the amount determined by the formula in subparagraph 3 of the first paragraph of section 289.5 in respect of a supply of the property or service that is deemed to have been made by the participating employer under subparagraph 1 of the first paragraph of section 289.5, is greater than zero,

(a.1) the amount determined for the pension plan by the formula in subparagraph 3 of the first paragraph of section 289.5.1 in respect of a supply of the property or service that is deemed to have been made by the participating employer under subparagraph 1 of the first paragraph of section 289.5.1 is greater than zero,

(b) the amount determined by the formula in subparagraph 3 of the first paragraph of section 289.6 in respect of any supply of an employer resource that is deemed to have been made by the participating employer under subparagraph 1 of the first paragraph of section 289.6, consumed or used for the purpose of making the particular supply, is greater than zero, or

(c) the amount determined for the pension plan by the formula in subparagraph 3 of the first paragraph of section 289.6.1 in respect of any supply of an employer resource that is deemed to have been made by the participating employer under subparagraph 1 of the first paragraph of section 289.6.1, consumed or used for the purpose of making the particular supply, is greater than zero.

For the purposes of the first paragraph, a supply is made in Canada if it is deemed to be made in Canada under Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15).

1997, c. 85, s. 428; 2001, c. 53, s. 275; 2010, c. 5, s. 210; 2011, c. 1, s. 121; 2011, c. 34, s. 142; 2011, c. 6, s. 237; 2012, c. 28, s. 36; 2015, c. 21, s. 620; 2021, c. 18, s. 176.

**18.0.1.1.** Subject to the sixth paragraph, every person that is the recipient of a taxable supply of property or a service made outside Québec and that is a provincial stratified investment plan with one or more provincial series as regards Québec at the time an amount of consideration for the supply becomes due or is paid without having become due shall pay to the Minister, for that amount of consideration, tax equal to the amount determined by the formula

$$A \times B \times C.$$

Every person that is a provincial stratified investment plan with one or more provincial series as regards Québec at the time an amount of consideration for the supply of property described in any of subparagraphs 2.1 to 8 of the first paragraph of section 18 of which the person is the recipient becomes due or is paid without having become due and that, if the supply is described in subparagraph 3 of the first paragraph of that section, is a registrant shall pay to the Minister, for that amount of consideration, tax equal to the amount determined by the formula

$$A \times B \times C.$$

For the purposes of the formulas in the first and second paragraphs,

(1) A is 9.975%;

(2) B is the value of all the consideration that is paid or becomes due at that time; and

(3) C is the percentage that corresponds to the aggregate of all percentages each of which is the extent to which the property or service is acquired for consumption, use or supply in the course of activities relating to a provincial series of the person as regards Québec, as determined in accordance with section 51 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (R.S.C 1985, c. E-15).

No tax is payable under the first paragraph by a person that is a provincial stratified investment plan with one or more provincial series as regards Québec, in respect of an amount of consideration for the taxable supply of property or a service, if the quotient (expressed as a percentage) obtained by dividing the total of all amounts each of which is the extent to which the property or service is acquired for consumption, use or supply in the course of activities relating to a provincial series of the person as regards Québec, as determined in accordance with section 51 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, by the total of all amounts each of which is the extent to which the property or service is acquired for consumption, use or supply in the course of activities relating to a provincial series of the person as regards any province, as determined in accordance with that section 51, is less than 10%.

No tax is payable by a person under the first paragraph in respect of a taxable supply of an incorporeal movable property or a service made outside Québec but within Canada that is described in subparagraph 9 of the third paragraph of section 18.0.1.

Where a taxable supply of property or a service is made outside Canada, the first paragraph applies only if the supply is described in subparagraph 1 or 2 of the first paragraph of section 18.

For the purposes of this section, "province" has the meaning assigned by section 433.15.1.

2015, c. 21, s. 621; 2022, c. 23, s. 182; 2024, c. 11, s. 165.

**18.0.1.2.** Subject to the fourth paragraph, every person that is the recipient of a taxable supply of property or a service made outside Québec and that is a provincial investment plan as regards Québec at the time an amount of consideration for the supply becomes due or is paid without having become due shall pay to the Minister, for that amount of consideration, tax calculated at the rate of 9.975% on the value of the consideration that is paid or becomes due at that time.

Every person that is a provincial investment plan as regards Québec at the time an amount of consideration for the supply of property described in any of subparagraphs 2.1 to 8 of the first paragraph of section 18 of which the person is the recipient becomes due or is paid without having become due and that, if the supply is described in subparagraph 3 of the first paragraph of that section, is a registrant shall pay to the Minister, for that amount of consideration, tax calculated at the rate of 9.975% on the value of the consideration that is paid or becomes due at that time.

No tax is payable by a person under the first paragraph in respect of a taxable supply of an incorporeal movable property or a service made outside Québec but within Canada that is described in subparagraph 9 of the third paragraph of section 18.0.1.

Where a taxable supply of property or a service is made outside Canada, the first paragraph applies only if the supply is described in subparagraph 1 or 2 of the first paragraph of section 18.

2015, c. 21, s. 621; 2022, c. 23, s. 183; 2024, c. 11, s. 166.

**18.0.2.** Subject to the second paragraph, tax under sections 18 and 18.0.1 that is determined on all or part of the consideration for a supply that becomes payable at any time, or is paid at any time without having become due, becomes payable at that time.

Tax under section 18, in respect of a supply deemed to be acquired by a qualifying taxpayer, within the meaning of section 26.2, in a specified year, within the meaning of section 26.2, of the qualifying taxpayer under section 26.3 or 26.4, that is determined for the specified year becomes payable by the qualifying taxpayer on

(1) if the specified year is a taxation year of the qualifying taxpayer for the purposes of the Income Tax Act (R.S.C. 1985, c. 1 (5th Suppl.)) and the qualifying taxpayer is required under Division I of Part I of that Act to file with the Minister of National Revenue a fiscal return for the specified year, the day on which the qualifying taxpayer is required to file a fiscal return under Part I of that Act for that taxation year; and

(2) in any other case, the day that is six months after the end of the specified year.

1997, c. 85, s. 428; 2012, c. 28, s. 37.

**18.0.3.** If, but for this paragraph, tax under section 18 would become payable by a person when the person is a selected listed financial institution, that tax is not payable unless it is an amount of tax that

(1) is a prescribed amount of tax for the purposes of subparagraph *a* of subparagraph 6 of the second paragraph of section 433.16 or subparagraph *a* of subparagraph 4 of the second paragraph of section 433.16.2;

(2) is in respect of a supply relating to a property or a service acquired otherwise than for consumption, use or supply in the course of an endeavour, within the meaning assigned by section 42.0.1, of the person; or

(3) is a prescribed amount of tax.

If, but for this paragraph, tax under section 18.0.1 would become payable by a person when the person is a selected listed financial institution, that tax is not payable unless it is an amount of tax that is described in subparagraph 1 or 2 of the first paragraph.

2012, c. 28, s. 38; 2015, c. 21, s. 622.

§ 4. —

*Repealed, 1995, c. 63, s. 308.*

1995, c. 1, s. 254; 1995, c. 63, s. 308.

**18.1.** *(Repealed).*

1995, c. 1, s. 254; 1995, c. 63, s. 308.

## **DIVISION II**

### **SUPPLY AND COMMERCIAL ACTIVITY**

#### **§ 1. — *Supply***

##### **I. — *Rules relating to a supply***

#### **19. (Repealed).**

1991, c. 67, s. 19; 1995, c. 63, s. 309.

#### **20. (Repealed).**

1991, c. 67, s. 20; 1995, c. 63, s. 310.

**20.1.** A supply made otherwise than in the course of a commercial activity of a road vehicle that must be registered under the Highway Safety Code (chapter C-24.2) following an application by the recipient of the supply is deemed to be a taxable supply.

1993, c. 19, s. 172; 1995, c. 63, s. 311.

##### **II. — *Presumptions respecting place of supply***

#### **21. (Repealed).**

1991, c. 67, s. 21; 1994, c. 22, s. 371; 1995, c. 1, s. 255; 1997, c. 85, s. 429.

#### **22. (Repealed).**

1991, c. 67, s. 22; 1997, c. 85, s. 429.

#### **22.1. (Repealed).**

1994, c. 22, s. 372; 1997, c. 85, s. 429.

##### **1. — *Definitions and interpretation***

1997, c. 85, s. 430.

#### **22.2.** For the purposes of this subdivision II,

“lease interval”, in respect of a supply by way of lease, licence or similar arrangement, has the meaning assigned by section 32.2;

“province” means a province of Canada and includes

(1) the Northwest Territories;

(2) the Yukon Territory;

(2.1) Nunavut;

(3) the Nova Scotia offshore area within the meaning of the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act (S.C. 1988, c. 28), to the extent that that area is a participating province within the meaning assigned by subsection 1 of section 123 of the Excise Tax Act (R.S.C. 1985, c. E-15);

(4) the Newfoundland and Labrador offshore area, within the meaning of the Canada-Newfoundland and Labrador Atlantic Accord Implementation Act (S.C. 1987, c. 3), to the extent that that area is a participating province within the meaning assigned by subsection 1 of section 123 of the Excise Tax Act.

1997, c. 85, s. 430; 2003, c. 2, s. 310; 2011, c. 1, s. 122; 2015, c. 21, s. 623; I.N. 2016-10-01.

**22.3.** For the purposes of sections 22.2 to 22.30, a floating home, and a mobile home that is not affixed to land are each deemed to be corporeal movable property and not immovables.

1997, c. 85, s. 430.

**22.4.** For the purposes of sections 22.2 to 22.30, where an agreement for the supply of property or a service is entered into but the property is not delivered to the recipient or the service is not performed, the property is deemed to have been delivered, or the service is deemed to have been performed, where the property or service was to be delivered or performed, as the case may be, under the terms of the agreement.

1997, c. 85, s. 430.

**22.5.** Where, for the purpose of determining, under sections 22.2 to 22.30, if a supply is made in Québec, reference is made to the ordinary location of property and, from time to time, the supplier and the recipient mutually agree upon what is to be the ordinary location of the property at a particular time, that location is deemed, for the purposes of sections 22.2 to 22.30, to be the ordinary location of that property at the particular time.

1997, c. 85, s. 430.

**22.6.** Sections 22.7 to 22.30 apply subject to sections 23, 24.2, 327.2 to 327.3.

1997, c. 85, s. 430; 2021, c. 14, s. 222.

## **2. — *Corporeal movable property***

1997, c. 85, s. 430.

**22.7.** A supply of corporeal movable property by way of sale is deemed to be made in Québec if the property is delivered in Québec to the recipient of the supply.

1997, c. 85, s. 430.

**22.8.** A supply of corporeal movable property otherwise than by way of sale is deemed to be made in Québec if

(1) in the case of a supply made under an agreement under which continuous possession or use of the property is provided for a period of not more than three months, the property is delivered in Québec to the recipient of the supply; and

(2) in any other case,

(a) where the property is a road vehicle, it is required, at the time the supply is made, to be registered under the Highway Safety Code (chapter C-24.2), and

(b) where the property is not a road vehicle, the ordinary location of the property, as determined at the time the supply is made, is in Québec,

(c) (*subparagraph repealed*).

Notwithstanding the first paragraph, a supply of corporeal movable property otherwise than by way of sale is deemed to be made outside Québec if possession or use of the property is given or made available outside Canada to the recipient.

1997, c. 85, s. 430; 1998, c. 16, s. 310; 2015, c. 21, s. 624.

### **22.9.** Property is deemed to be delivered

(1) in Québec where the supplier

(a) ships the property to a destination in Québec that is specified in the contract for carriage of the property or transfers possession of the property to a common carrier or consignee that the supplier has retained on behalf of the recipient to ship the property to such a destination, or

(b) sends the property by mail or courier to an address in Québec; and

(2) outside Québec where the supplier

(a) ships the property to a destination in another province that is specified in the contract for carriage of the property or transfers possession of the property to a common carrier or consignee that the supplier has retained on behalf of the recipient to ship the property to such a destination, or

(b) sends the property by mail or courier to an address in another province.

The first paragraph does not apply where the property is corporeal movable property supplied by way of sale that is, or is to be, delivered outside Canada to the recipient.

1997, c. 85, s. 430; 2001, c. 51, s. 261.

### **22.9.1.** For the purposes of section 22.8, if a supply of corporeal movable property is made by way of lease, licence or similar arrangement,

(1) where the supply is made under an arrangement under which continuous possession or use of the property is provided for a period of not more than three months and the property is delivered in Québec to the recipient, the property is deemed to be delivered in Québec for each of the supplies which, because of section 32.2, is deemed to be made;

(2) *(paragraph repealed)*;

(3) where possession or use of the property is given or made available outside Canada to the recipient, possession or use of the property is deemed to be given or made available outside Canada to the recipient for each of the supplies which, because of section 32.2, is deemed to be made.

2001, c. 53, s. 276; 2015, c. 21, s. 625.

### **3. — *Incorporeal movable property***

1997, c. 85, s. 430.

### **22.10.** For the purposes of sections 22.11.1 and 22.11.2,

“Canadian rights” in respect of an incorporeal movable property means that part of the property that can be used in Canada;

“specified location” of a supplier means

(1) the supplier’s permanent establishment; or



(2) a vending machine.

1997, c. 85, s. 430; 2011, c. 1, s. 123.

**22.10.1.** Sections 22.11.1 to 22.11.4 do not apply to an incorporeal movable property to which any of sections 22.21 to 22.27 applies.

2011, c. 1, s. 124.

**22.11.** *(Repealed).*

1997, c. 85, s. 430; 2011, c. 1, s. 125.

**22.11.1.** A supply of an incorporeal movable property (other than an incorporeal movable property that relates to an immovable or to a corporeal movable property) in respect of which the Canadian rights can only be used primarily in Québec is deemed to be made in Québec.

2011, c. 1, s. 126.

**22.11.2.** A supply of an incorporeal movable property (other than an incorporeal movable property that relates to an immovable or to a corporeal movable property) in respect of which the Canadian rights can be used otherwise than only primarily in Québec and otherwise than only primarily outside Québec is deemed to be made in Québec if,

(1) in the case of a supply for which the value of the consideration is \$300 or less that is made through a specified location of the supplier in Québec and in the presence of an individual who is, or who acts on behalf of, the recipient, the incorporeal movable property can be used in Québec; and

(2) in the case of a supply that is not deemed under paragraph 1 to be made in Québec, the following conditions are satisfied:

(a) in the ordinary course of the supplier's business, the supplier obtains an address (in this paragraph referred to as the "particular address") that is

i. if the supplier obtains only one address that is a home or a business address in Canada of the recipient, the home or business address obtained by the supplier,

ii. if the supplier obtains more than one address described in subparagraph i, the address described in that subparagraph that is most closely connected with the supply, or

iii. in any other case, the address in Canada of the recipient that is most closely connected with the supply,

(b) the particular address is in Québec, and

(c) the incorporeal movable property can be used in Québec.

2011, c. 1, s. 126.

**22.11.3.** A supply of an incorporeal movable property that relates to an immovable is deemed to be made in Québec if the immovable that is situated in Canada is situated primarily in Québec.

2011, c. 1, s. 126.

**22.11.4.** A supply of an incorporeal movable property that relates to a corporeal movable property is deemed to be made in Québec if the corporeal movable property that is ordinarily situated in Canada is ordinarily situated primarily in Québec.

2011, c. 1, s. 126.

4. — *Immovable*

1997, c. 85, s. 430.

**22.12.** A supply of an immovable is deemed to be made in Québec if the immovable is situated in Québec.

1997, c. 85, s. 430.

**22.13.** *(Repealed).*

1997, c. 85, s. 430; 2011, c. 1, s. 127.

5. — *Service*

1997, c. 85, s. 430.

**22.14.** For the purposes of sections 22.15.0.2 and 22.15.0.4 to 22.15.0.6, “Canadian element” of a service means the portion of the service that is performed in Canada.

1997, c. 85, s. 430; 2011, c. 1, s. 128.

**22.14.1.** Sections 22.15.0.1 to 22.15.0.6 do not apply to a service to which any of sections 22.18 to 22.27 applies.

2011, c. 1, s. 129.

**22.15.** *(Repealed).*

1997, c. 85, s. 430; 1998, c. 16, s. 310; 2011, c. 1, s. 130.

**22.15.0.1.** Subject to sections 22.15.0.3 to 22.15.0.6, a supply of a service is deemed to be made in Québec if, in the ordinary course of the supplier’s business, the supplier obtains an address in Québec that is

(1) if the supplier obtains only one address that is a home or a business address in Canada of the recipient, the home or business address obtained by the supplier;

(2) if the supplier obtains more than one address described in subparagraph 1, the address described in that subparagraph that is most closely connected with the supply; or

(3) in any other case, the address in Canada of the recipient that is most closely connected with the supply.

The first paragraph does not apply in the case of a supply of a service performed wholly outside Canada.

2011, c. 1, s. 131; 2015, c. 21, s. 626.

**22.15.0.2.** Subject to section 22.15.0.1 and sections 22.15.0.3 to 22.15.0.6, a supply of a service is deemed to be made in Québec if the Canadian element of the service is performed primarily in Québec.

The first paragraph does not apply in the ordinary course of the supplier’s business, if the supplier obtains an address in Canada of the recipient.

2011, c. 1, s. 131; 2015, c. 21, s. 627.

**22.15.0.3.** A supply of a service in relation to an immovable is deemed to be made in Québec if the immovable that is situated in Canada is situated primarily in Québec.

2011, c. 1, s. 131.

**22.15.0.4.** If a person makes a supply of a service in relation to a corporeal movable property that is situated in Québec at the particular time when the Canadian element of the service begins to be performed and, at all times when the Canadian element of the service is performed, the corporeal movable property remains in Québec, the supply is deemed to be made in Québec if the corporeal movable property is situated primarily in Québec at the particular time.

2011, c. 1, s. 131.

**22.15.0.5.** If a person makes a supply of a service in relation to a corporeal movable property that is situated in Québec or in another province at the particular time when the Canadian element of the service begins to be performed and, at any time during the period when the Canadian element of the service is performed, the corporeal movable property does not remain in Québec or in the province in which it was situated at the particular time, the supply is deemed to be made in Québec if the corporeal movable property is situated primarily in Québec at any time when the service is performed and if the Canadian element of the service is performed primarily in Québec.

2011, c. 1, s. 131.

**22.15.0.6.** A supply of a service (other than an advisory, consulting or professional service) all or substantially all of which is performed in the presence of the individual to whom it is rendered is deemed to be made in Québec if the Canadian element of the service is performed primarily in Québec.

2011, c. 1, s. 131.

**22.15.1.** *(Repealed).*

2001, c. 53, s. 277; 2015, c. 21, s. 628.

**22.15.2.** For the purposes of this subdivision, where section 32.3 applies in respect of the supply of a service, except in respect of a telecommunication service, the supply is deemed to be made outside Québec if all of the supplies of the service are deemed to be made outside Canada for the purposes of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15) under paragraph *d* of subsection 2 of section 136.1 of that Act.

2015, c. 21, s. 629.

#### **6. — *Transportation service***

1997, c. 85, s. 430.

**22.16.** For the purposes of this section and sections 22.17.1 to 22.19,

“continuous journey” has the meaning assigned by section 193;

“destination” of a freight transportation service means the place specified by the shipper of the property where possession of the property is transferred to the person to whom the property is consigned or addressed by the shipper;

“freight transportation service” has the meaning assigned by section 193;

“leg” of a journey on a conveyance means a part of the journey that begins where passengers embark or disembark the conveyance or where it is stopped to allow for its servicing or refuelling and ends where it is next stopped for any of those purposes;

“origin” of a continuous journey has the meaning assigned by section 193;

“stopover”, in respect of a continuous journey, has the meaning assigned by section 193 except that it does not include, in the case of a continuous journey of an individual or group of individuals that does not include transportation by air and the origin and termination of which are in Canada, any place outside Canada where, at the time the journey begins, the individual or group is not scheduled to be outside Canada for an uninterrupted period of at least 24 hours during the course of the journey;

“termination” of a continuous journey has the meaning assigned by section 193.

1997, c. 85, s. 430; 2011, c. 1, s. 132; 2015, c. 21, s. 630.

**22.17.** *(Repealed).*

1997, c. 85, s. 430; 2011, c. 1, s. 133.

**22.17.1.** A supply of a passenger transportation service is deemed to be made in Québec if the passenger transportation service

(1) is part of a continuous journey in respect of which there is a ticket or voucher, issued in respect of the particular passenger transportation service included in the continuous journey that is provided first, specifying the origin of the continuous journey and

- (a) the origin is a place in Québec, and
- (b) the termination and all stopovers in respect of the continuous journey are in Canada;

(2) is part of a continuous journey in respect of which there is no ticket or voucher, issued in respect of the particular passenger transportation service included in the continuous journey that is provided first, specifying the origin of the continuous journey and

(a) the passenger transportation service included in the continuous journey that is provided first cannot begin otherwise than in Québec, and

- (b) the termination and all stopovers in respect of the continuous journey are in Canada; or

(3) is not part of a continuous journey and

- (a) the passenger transportation service begins in Québec, and
- (b) the passenger transportation service ends in Canada.

2011, c. 1, s. 134.

**22.17.2.** If, at the time when a supply of an incorporeal movable property that is a passenger transportation pass or a similar property allowing an individual to obtain one or more passenger transportation services is made, the supplier can determine that each passenger transportation service could not begin otherwise than in Québec and would terminate in Canada, the supply of the incorporeal movable property is deemed to be made in Québec.

2011, c. 1, s. 134.

**22.17.3.** If a supply of a property or a service (other than a passenger transportation service) is made to an individual on board a conveyance in the course of a business of supplying passenger transportation services and the property or service is delivered, performed or made available on board the conveyance during any leg of the journey that begins in Québec and ends in Québec, the supply is deemed to be made in Québec.

2011, c. 1, s. 134.

**22.18.** A supply of any of the following services by a person, in connection with the supply by that person of a passenger transportation service, is deemed to be made in Québec if the supply of the passenger transportation service is made in Québec:

- (1) a service of transporting an individual’s baggage; and

- (2) a service of supervising an unaccompanied child.

1997, c. 85, s. 430; 2001, c. 53, s. 278.

**22.18.1.** A supply by a person of a service of issuing, delivering, amending, replacing or cancelling a ticket, voucher or reservation for a supply by that person of a passenger transportation service is deemed to be made in Québec if the supply of the passenger transportation service would be made in Québec if it were completed in accordance with the agreement relating to that supply.

2001, c. 53, s. 279.

**22.19.** Subject to sections 22.21 to 22.24, a supply of a freight transportation service is deemed to be made in Québec if the destination of the service is in Québec.

1997, c. 85, s. 430.

**22.20.** *(Repealed).*

1997, c. 85, s. 430; 2015, c. 21, s. 631.

#### *7. — Postal service*

1997, c. 85, s. 430.

**22.21.** For the purposes of this section and sections 22.22 to 22.24,

“permit imprint” means an indicia the use of which as evidence of the payment of postage exclusively by a person is authorized under an agreement between the Canada Post Corporation and the person, but does not include a postage meter impression or any “business reply” indicia or item bearing that indicia;

“postage stamp” means a stamp authorized by the Canada Post Corporation for use as evidence of the payment of postage, but does not include a postage meter impression, a permit imprint or any “business reply” indicia or item bearing that indicia.

1997, c. 85, s. 430.

**22.22.** A supply of a postage stamp or a postage-paid card, package or similar item, other than an item bearing a “business reply” indicia, that is authorized by the Canada Post Corporation is deemed to be made in Québec if the supplier delivers the stamp or item in Québec to the recipient of the supply and, where the stamp or item is used as evidence of the payment of postage for a mail delivery service, the supply of the service is deemed to be made in Québec, unless

- (1) the supply of the service is made pursuant to a bill of lading; or

(2) the consideration for the supply of the service is \$5 or more and the address to which the mail is sent is not in Québec.

1997, c. 85, s. 430; 2012, c. 28, s. 39.

**22.23.** Where the payment of postage for a mail delivery service supplied by the Canada Post Corporation is evidenced by a postage meter impression printed by a meter, the supply of the service is deemed to be made in Québec if the ordinary location of the meter, as determined at the time the recipient of the supply pays an amount to the Corporation for the purpose of paying that postage, is in Québec, unless the supply is made pursuant to a bill of lading.

1997, c. 85, s. 430.

**22.24.** Where the payment of postage for a mail delivery service supplied by the Canada Post Corporation otherwise than pursuant to a bill of lading is evidenced by a permit imprint, the supply of the service is deemed to be made in Québec if the recipient of the supply deposits the mail in Québec with the Corporation

in accordance with the agreement between the recipient and the Corporation authorizing the use of the permit imprint.

1997, c. 85, s. 430.

8. — *Telecommunication service*

1997, c. 85, s. 430.

**22.25.** For the purposes of section 22.26, the billing location for a telecommunication service supplied to a recipient is in Québec if

(1) where the consideration paid or payable for the service is charged or applied to an account that the recipient has with a person who carries on the business of supplying telecommunication services and the account relates to a telecommunications facility that is used or is available for use by the recipient to obtain telecommunication services, that telecommunications facility is ordinarily located in Québec; and

(2) in any other case, the telecommunications facility used to initiate the service is located in Québec.

1997, c. 85, s. 430.

**22.26.** A supply of a telecommunication service, other than a service referred to in section 22.27, is deemed to be made in Québec if,

(1) in the case of a telecommunication service of making telecommunications facilities available to a person,

(a) all of those facilities are ordinarily located in Québec,

(b) part of the facilities is ordinarily located in Québec and the other part thereof is ordinarily located outside Canada, or

(c) where not all of the telecommunications facilities are ordinarily located in Québec, any part of the facilities is ordinarily located in another province and

i. the invoice for the supply of the service is sent to an address in Québec, or

ii. in any other case, no tax of the same nature as the tax payable under this Title is imposed on the person by the other province in respect of the supply of the service or, if such tax is imposed by that province, the person is entitled to obtain a rebate thereof; or

(2) in any other case,

(a) the telecommunication is emitted and received in Québec,

(b) the telecommunication is emitted or received in Québec and the billing location for the service is in Québec, or

(c) the telecommunication is emitted in Québec and is received outside Québec and

i. where the telecommunication is received outside Canada, the billing location is in another province, or

ii. where the telecommunication is received in another province, the billing location is not in that province.

1997, c. 85, s. 430; 2002, c. 9, s. 153.

**22.27.** A supply of a telecommunication service of granting to the recipient of the supply sole access to a telecommunications channel, within the meaning of section 32.6, for transmitting telecommunications between a place in Québec and a place outside Québec but within Canada is deemed to be made in Québec.

1997, c. 85, s. 430.

**9. — *Deemed supply and prescribed supply***

1997, c. 85, s. 430.

**22.28.** Notwithstanding sections 22.7 to 22.27, a supply of property that is deemed under any of sections 207 to 210.4, 238.1, 285 to 287.2, 298, 300, 320, 323.1, 325 and 337.2 to 341.9 to have been made or received at any time is deemed to be made in Québec if the property is situated in Québec at that time.

1997, c. 85, s. 430; 2001, c. 51, s. 262; 2019, c. 14, s. 534.

**22.29.** Notwithstanding sections 22.7 to 22.27, a supply of property or a service is deemed to be made in Québec if the supply is deemed to be made in Québec under another provision of this Title or a provision of the Regulation respecting the Québec sales tax (chapter T-0.1, r. 2).

1997, c. 85, s. 430.

**22.30.** Notwithstanding sections 22.7 to 22.27, a prescribed supply of property or a service is deemed to be made in Québec.

1997, c. 85, s. 430.

**22.31.** Notwithstanding sections 22.14 to 22.27, a supply of a service is deemed to be made outside Québec if it is a supply of a prescribed service.

1997, c. 85, s. 430; 2011, c. 1, s. 135.

**10. — *Special rules***

1997, c. 85, s. 430.

**22.32.** A supply that is not deemed to be made in Québec under sections 22.7 to 22.24 and 22.28 to 22.30 is deemed to be made outside Québec.

1997, c. 85, s. 430.

**22.32.1.** A supply made in Québec by way of sale of a road vehicle is deemed to be made outside Québec if the supplier maintains evidence satisfactory to the Minister that, on or before the day that is seven days after the day on which the vehicle was delivered in Québec to the recipient of the supply, the vehicle was registered, otherwise than temporarily, under the laws of another province relating to the registration of vehicles by or on behalf of the recipient.

This section does not apply in respect of

(1) a supply by way of retail sale of a motor vehicle other than a supply made following the exercise by the recipient of a right to acquire the vehicle, conferred on the recipient under an agreement in writing for the lease of the vehicle entered into with the supplier;

(2) a supply under section 20.1; and

(3) a supply made by a small supplier who is not a registrant, in the course of a commercial activity, of a road vehicle that must be registered under the Highway Safety Code (chapter C-24.2) following an application by the recipient of the supply.

2015, c. 21, s. 632.

**23.** A supply of movable property or a service made in Québec by a person who is not resident in Québec is deemed to be made outside Québec, unless

(1) the supply is made in the course of a business carried on in Québec;

(2) at the time the supply is made, the person is registered under Division I of Chapter VIII;

(2.1) the supply is a qualifying corporeal movable property supply, within the meaning of section 477.2, and the person is required under section 477.18.3 to be registered under Division I of Chapter VIII at the time the supply is made;

(3) the supply is the supply of an admission in respect of an activity, a seminar, an event or a place of amusement where the non-resident person did not acquire the admission from another person;

(4) *(paragraph repealed)*;

(5) the person is a Canadian specified supplier registered under Division II of Chapter VIII.1 and the supply is a designated supply, within the meaning of section 477.2, or a supply of corporeal movable property made to a specified Québec consumer;

(6) *(paragraph repealed)*.

1991, c. 67, s. 23; 2018, c. 18, s. 76; 2021, c. 18, s. 177.

**23.1.** A supply of a property referred to in section 144 of the Excise Tax Act (R.S.C. 1985, c. E-15) that has not been released, within the meaning of the Customs Act (R.S.C. 1985, c. 1 (2nd Suppl.)), before being delivered to the recipient in Québec, is deemed to be made outside Québec.

For the purposes of section 17, the property referred to in the first paragraph is deemed to have been brought into Québec at the time of its release within the meaning of the Customs Act.

2012, c. 28, s. 40.

**24.** *(Repealed)*.

1991, c. 67, s. 24; 1994, c. 22, s. 373.

**24.1.** Notwithstanding sections 22.32 and 23, a supply of prescribed corporeal movable property made by a person who is registered under Division I of Chapter VIII is deemed to be made in Québec if the property is sent, by mail or courier, to the recipient of the supply at an address in Québec.

1994, c. 22, s. 374; 1997, c. 85, s. 431.

**24.2.** The following are deemed made outside Québec:

(1) a supply of a freight transportation service in respect of the transportation of corporeal movable property from a place in Canada outside Québec to a place in Québec;

(2) a supply of a freight transportation service in respect of the transportation of corporeal movable property between two places in Québec where the service is part of a continuous freight movement, within the meaning of section 193, from a place in Canada outside Québec to a place in Québec and where the supplier



of the service maintains documentary evidence satisfactory to the Minister that the service is part of a continuous freight movement from a place in Canada outside Québec to a place in Québec.

1994, c. 22, s. 374; 1997, c. 85, s. 432.

**24.3.** Except for the purposes of sections 182, 191.3.3 and 191.3.4, a continuous transmission commodity that is transported by means of a wire, pipeline or other conduit is deemed not to be shipped outside Québec or brought into Québec in the course of that transportation or further transportation if the commodity is transported

(1) outside Québec in the course of, and solely for the purpose of, being delivered by that means from a place in Québec to another place in Québec;

(2) in Québec in the course of, and solely for the purpose of, being delivered by that means from a place outside Québec to another place outside Québec;

(3) from a place in Québec to a place outside Québec where it is stored or taken up as surplus for a period until further transported by that means to a place in Québec in the same measure and state except to the extent of any consumption or alteration necessary or incidental to its transportation; or

(4) from a place outside Québec to a place in Québec where it is stored or taken up as surplus for a period until further transported by that means to a place outside Québec in the same measure and state except to the extent of any consumption or alteration necessary or incidental to its transportation.

2001, c. 53, s. 280.

### III. — *Other presumptions*

#### 1. — *General provisions*

1994, c. 22, s. 375.

**25.** Where a person carries on a business through a permanent establishment of the person in Québec and through another permanent establishment of the person outside Québec,

(1) any transfer of movable property or rendering of a service by the permanent establishment in Québec to the permanent establishment outside Québec is deemed to be a supply of the property or service; and

(2) in respect of that supply, the permanent establishments are deemed to be separate persons who deal with each other at arm's length.

1991, c. 67, s. 25.

**26.** For the purposes of section 18.0.1, where a person carries on a business through a permanent establishment of the person in Québec and through another permanent establishment outside Québec,

(1) any transfer of movable property or rendering of a service by one permanent establishment to the other permanent establishment is deemed to be a supply of the property or service;

(2) in respect of that supply, the permanent establishments are deemed to be separate persons who deal with each other at arm's length;

(3) the value of the consideration for that supply is deemed to be equal to the fair market value of the supply at the time the property is so transferred or the service is so rendered; and

(4) the consideration for that supply is deemed to have become due and to have been paid, by the permanent establishment (in this paragraph referred to as "the recipient") to which the property was

transferred or the service was rendered, to the other permanent establishment at the end of the taxation year of the recipient in which the property was transferred or the service was rendered.

1991, c. 67, s. 26; 1994, c. 22, s. 376; 1997, c. 85, s. 433; 2012, c. 8, s. 265.

**26.0.1.** For the purposes of this section and sections 26.0.2 to 26.0.5,

“incorporeal capital” of a specified person means any of the following that is consumed or used by the specified person in the process of creating or developing incorporeal movable property:

- (1) all or part of a labour activity of the specified person;
- (2) all or part of property (other than incorporeal movable property described in paragraph 1 of the definition of “incorporeal resource”); or

- (3) all or part of a service;

“incorporeal resource” of a specified person means

- (1) all or part of incorporeal movable property supplied to, or created or developed by, the specified person that is not support capital of the specified person;

- (2) incorporeal capital of the specified person; or

- (3) any combination of the items referred to in paragraphs 1 and 2;

“labour activity” of a specified person means anything done by an employee of the specified person in the course of, or in relation to, the office or employment of the employee;

“support capital” of a specified person means all or part of incorporeal movable property that is consumed or used by the specified person in the process of creating or developing property (other than incorporeal movable property) or in supporting, assisting or furthering a labour activity of the specified person;

“support resource” of a specified person means

- (1) all or part of property (other than incorporeal movable property) supplied to, or created or developed by, the specified person that is not incorporeal capital of the specified person;

- (2) all or part of a service supplied to the specified person that is not incorporeal capital of the specified person;

- (3) all or part of a labour activity of the specified person that is not incorporeal capital of the specified person;

- (4) support capital of the specified person; or

- (5) any combination of the items referred to in paragraphs 1 to 4.

For the purposes of the first paragraph, “employee” includes an individual who agrees to become an employee.

2012, c. 8, s. 266.

**26.0.2.** For the purposes of sections 26.0.1 and 26.0.3 to 26.0.5, the following rules apply:

- (1) a person (other than a financial institution) is a specified person throughout a taxation year of the person if the person

(a) carries on, at any time in the taxation year, a business through a permanent establishment of the person outside Canada, and

(b) carries on, at any time in the taxation year, a business through a permanent establishment of the person in Québec; and

(2) a business of a person is a specified business of the person throughout a taxation year of the person if the business is carried on, at any time in the taxation year, in Québec through a permanent establishment of the person.

2012, c. 8, s. 266; 2012, c. 28, s. 41.

**26.0.3.** For the purposes of sections 26.0.4 and 26.0.5, internal use of a support resource, or of an incorporeal resource, of a specified person occurs during a taxation year of the specified person if

(1) the specified person at any time in the taxation year uses outside Canada any part of the resource in relation to the carrying on of a specified business of the specified person; or

(2) the specified person is permitted under the Taxation Act (chapter I-3), or would be so permitted if that Act applied to the specified person, to allocate for the taxation year, as an amount in respect of a specified business of the specified person,

(a) any part of an outlay made, or expense incurred, by the specified person in respect of any part of the resource, or

(b) any part of an allowance, or allocation for a reserve, in respect of any part of an outlay or expense referred to in subparagraph *a*.

2012, c. 8, s. 266.

**26.0.4.** If internal use of a support resource of a specified person occurs during a taxation year of the specified person, the following rules apply:

(1) for the purposes of section 18,

(a) the specified person is deemed

i. to have rendered, during the taxation year, a service of internally using the support resource at a permanent establishment of the specified person outside Canada in the course of carrying on a specified business of the specified person, and to be the person to whom the service was rendered,

ii. to be the recipient of a supply made outside Canada of the service, and

iii. to be, in the case of a specified person not resident in Québec, resident in Québec,

(b) the supply is deemed not to be a supply of a service that is in respect of

i. an immovable situated outside Québec, or

ii. corporeal movable property that is situated outside Québec at the time the service is performed,

(c) the value of the consideration for the supply is deemed to be the total of all amounts, each of which is the fair market value of a part, or of the use of a part, as the case may be, of the support resource referred to in section 26.0.3

i. if the part is only referred to in paragraph 1 of section 26.0.3, at the time referred to in that paragraph, and

ii. in any other case, on the last day of the taxation year of the specified person, and

(d) the consideration for the supply is deemed to have become due and to have been paid, on the last day of the taxation year, by the specified person; and

(2) for the purpose of determining an input tax refund of the specified person, the specified person is deemed to have acquired the service for the same purpose as that for which the part of the support resource referred to in section 26.0.3 was acquired, consumed or used by the specified person.

2012, c. 8, s. 266.

**26.0.5.** If internal use of an incorporeal resource of a specified person occurs during a taxation year of the specified person, the following rules apply:

(1) for the purposes of section 18,

(a) the specified person is deemed

i. to have made available, during the taxation year, at a permanent establishment of the specified person outside Canada incorporeal movable property in the course of carrying on a specified business of the specified person and to be the person to whom the incorporeal movable property was made available,

ii. to be the recipient of a supply made outside Canada of the incorporeal movable property, and

iii. to be, in the case of a specified person not resident in Québec, resident in Québec,

(b) the supply is deemed not to be a supply of property that relates to an immovable situated outside Québec, to a service to be performed wholly outside Québec or to corporeal movable property situated outside Québec,

(c) the value of the consideration for the supply is deemed to be the total of all amounts, each of which is the fair market value of a part, or of the use of a part, as the case may be, of the incorporeal resource referred to in section 26.0.3

i. if the part is only referred to in paragraph 1 of section 26.0.3, at the time referred to in that paragraph, and

ii. in any other case, on the last day of the taxation year of the specified person, and

(d) the consideration for the supply is deemed to have become due and to have been paid, on the last day of the taxation year, by the specified person; and

(2) for the purpose of determining an input tax refund of the specified person, the specified person is deemed to have acquired the property for the same purpose as that for which the part of the incorporeal resource referred to in section 26.0.3 was acquired, consumed or used by the specified person.

2012, c. 8, s. 266.

**26.1.** For the purposes of sections 25 to 26.0.5, “permanent establishment” has the meaning assigned by section 11.2 where a person is resident in Québec otherwise than by reason of section 12.

1997, c. 85, s. 434; 2012, c. 8, s. 267.

**26.2.** For the purposes of this section and sections 26.3 to 26.5,

“external charge” has the meaning assigned by section 217 of the Excise Tax Act (R.S.C. 1985, c. E-15);

“province” has the meaning assigned by section 433.15.1;

“qualifying consideration” has the meaning assigned by section 217 of the Excise Tax Act;

“qualifying establishment” means a permanent establishment within the meaning of subsection 1 of section 123 of the Excise Tax Act or within the meaning of subsection 2 of section 132.1 of that Act;

“qualifying service” means any service or anything done by an employee in relation to the office or employment of the employee;

“qualifying taxpayer” has the meaning assigned by subsection 1 of section 217.1 of the Excise Tax Act;

“specified year” has the meaning assigned by section 217 of the Excise Tax Act.

For the purposes of the definition of “qualifying service” in the first paragraph, an employee includes an individual who agrees to become an employee.

Despite the first paragraph, where the qualifying taxpayer is a selected listed financial institution that is a stratified investment plan, a non-stratified investment plan or an investment plan that is a pension entity of a pension plan or a private investment plan, but is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act throughout a reporting period in a particular fiscal year, and where an election made under the first paragraph of section 433.19.15 in relation to a series of the qualifying taxpayer or under the second or third paragraph of that section is in effect throughout the particular fiscal year, “external charge” and “qualifying consideration” have the meaning that would be assigned to those expressions by section 217 of the Excise Tax Act if no reference were made to paragraph *c* of any of subsections 3, 4 and 5 of section 225.4 of that Act, as the case may be.

2012, c. 28, s. 42; 2015, c. 21, s. 633; 2017, c. 1, s. 445.

**26.3.** A qualifying taxpayer that is resident in Québec and that made an election under subsection 1 of section 217.2 of the Excise Tax Act (R.S.C. 1985, c. E-15) is deemed to be the recipient of a taxable supply in a specified year of the qualifying taxpayer, provided that the election is in effect for the purposes of that Act for the specified year; the value of the consideration for that taxable supply is deemed to be equal to the amount determined by the formula

$A + B$ .

For the purposes of the formula in the first paragraph,

(1) *A* is the total of all amounts each of which is the product obtained by multiplying an amount that is an internal charge for the specified year and that is greater than zero by

(a) in the case where the qualifying taxpayer is a provincial stratified investment plan in the qualifying taxpayer’s fiscal year that ends in the specified year, the aggregate of all amounts each of which is the percentage that is the extent to which the internal charge is attributable to outlays or expenses that were made or incurred to consume, use or supply the whole or part of a qualifying service or of property to which the internal charge is attributable, in carrying on, engaging in or conducting an activity of the qualifying taxpayer relating to a provincial series of the qualifying taxpayer as regards Québec, as determined in accordance with section 51 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act;

(b) in the case where the qualifying taxpayer is, in the qualifying taxpayer’s fiscal year that ends in the specified year, a provincial investment plan as regards Québec, 100%;

(c) in the case where the qualifying taxpayer is, in the qualifying taxpayer’s fiscal year that ends in the specified year, a provincial investment plan as regards a province other than Québec, 0%; and

(d) in any other case, the percentage that is the extent to which the internal charge is attributable to outlays or expenses that were made or incurred to consume, use or supply the whole or part of a qualifying service or of property to which the internal charge is attributable, in carrying on, engaging in or conducting an activity of the qualifying taxpayer in Québec; and

(2) B is the total of all amounts each of which is the product obtained by multiplying an amount that is an external charge for the specified year and that is greater than zero by

(a) in the case where the qualifying taxpayer is a provincial stratified investment plan in the qualifying taxpayer's fiscal year that ends in the specified year, the aggregate of all amounts each of which is the percentage that is the extent to which the whole or part of the outlay or expense, which corresponds to the external charge, was made or incurred to consume, use or supply the whole or part of a qualifying service or of property to which the external charge is attributable, in carrying on, engaging in or conducting an activity of the qualifying taxpayer relating to a provincial series of the qualifying taxpayer as regards Québec, as determined in accordance with section 51 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations;

(b) in the case where the qualifying taxpayer is, in the qualifying taxpayer's fiscal year that ends in the specified year, a provincial investment plan as regards Québec, 100%;

(c) in the case where the qualifying taxpayer is, in the qualifying taxpayer's fiscal year that ends in the specified year, a provincial investment plan as regards a province other than Québec, 0%; and

(d) in any other case, the percentage that is the extent to which the whole or part of the outlay or expense, which corresponds to the external charge, was made or incurred to consume, use or supply the whole or part of a qualifying service or of property to which the external charge is attributable, in carrying on, engaging in or conducting an activity of the qualifying taxpayer in Québec.

In the case where the qualifying taxpayer is a provincial stratified investment plan or a provincial investment plan, the first paragraph is to be read without reference to "that is resident in Québec and".

For the purposes of this section, an amount in respect of which the conditions of subsection 4 of section 217.1 of the Excise Tax Act are met is an amount that is an internal charge.

2012, c. 28, s. 42; 2015, c. 21, s. 634; 2022, c. 23, s. 184.

**26.4.** A qualifying taxpayer that is resident in Québec and to which section 26.3 does not apply for a specified year of the qualifying taxpayer is deemed to be the recipient of a taxable supply, in the specified year, the value of the consideration for which is deemed to be equal to the total of all amounts each of which is the product obtained by multiplying an amount in respect of qualifying consideration for the specified year that is greater than zero by

(1) in the case where the qualifying taxpayer is a provincial stratified investment plan in the qualifying taxpayer's fiscal year that ends in the specified year, the aggregate of all amounts each of which is the percentage that is the extent to which the whole or part of the outlay or expense, which corresponds to the qualifying consideration, was made or incurred to consume, use or supply the whole or part of a qualifying service or of property to which the qualifying consideration is attributable, in carrying on, engaging in or conducting an activity of the qualifying taxpayer relating to a provincial series of the qualifying taxpayer as regards Québec, as determined in accordance with section 51 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (R.S.C. 1985, c. E-15);

(2) in the case where the qualifying taxpayer is, in the qualifying taxpayer's fiscal year that ends in the specified year, a provincial investment plan as regards Québec, 100%;

(3) in the case where the qualifying taxpayer is, in the qualifying taxpayer's fiscal year that ends in the specified year, a provincial investment plan as regards a province other than Québec, 0%; and

(4) in any other case, the percentage that is the extent to which the whole or part of the outlay or expense, which corresponds to the qualifying consideration, was made or incurred to consume, use or supply the whole or part of a qualifying service or of property to which the qualifying consideration is attributable, in carrying on, engaging in or conducting an activity of the qualifying taxpayer in Québec.

In the case where the qualifying taxpayer is a provincial stratified investment plan or a provincial investment plan, the portion of the first paragraph before subparagraph 1 is to be read without reference to “that is resident in Québec and”.

2012, c. 28, s. 42; 2015, c. 21, s. 635; 2022, c. 23, s. 185.

**26.5.** Despite sections 11 and 11.1 and for the purposes of sections 26.3 and 26.4, a qualifying taxpayer is deemed to be resident in Québec at a particular time if, at that time,

- (1) the qualifying taxpayer has a qualifying establishment in Québec; or
- (2) the qualifying taxpayer is resident in Canada and is
  - (a) a corporation incorporated or continued under the legislation of Québec and not continued elsewhere,
  - (b) a club, an association, an unincorporated organization, a partnership, or a branch of one of them, in respect of which a majority of the members having management and control of it are resident in Québec, or
  - (c) a trust, carrying on activities as a trust in Québec, that has an office or branch in Québec.

2012, c. 28, s. 42.

**27.** Where an agreement is entered into to provide property or a service,

(1) the entering into of the agreement is deemed to be a supply of the property or service made at the time the agreement is entered into; and

(2) any provision of property or a service under the agreement is deemed to be part of the supply referred to in paragraph 1 and not a separate supply.

1991, c. 67, s. 27.

**28.** Where, under an agreement entered into in respect of a debt or obligation, a person transfers property or an interest in property for the purpose of securing payment of the debt or performance of the obligation, the transfer is deemed not to be a supply.

Where, on payment of the debt or performance of the obligation or the extinguishing of the debt or obligation, the property or interest is retransferred, the retransfer of the property or interest is deemed not to be a supply.

1991, c. 67, s. 28.

**29.** Where a public sector body makes a supply of a service, or a supply of the use by way of licence of a copyright, trade-mark, trade-name or other similar property of the body, to a person who is the sponsor of an activity of the body for use by the person exclusively in publicizing the person’s business, the supply by the body of the service or the use of the property is deemed not to be a supply.

This section does not apply where it may reasonably be regarded that the consideration for the supply is primarily for a service of advertising by means of radio or television or in a newspaper, magazine or other publication published periodically, or for a prescribed service.

1991, c. 67, s. 29; 1997, c. 85, s. 435.

**29.1.** Where a supply is made by the Gouvernement du Québec or any of its departments to a prescribed mandatary, or by such a mandatary to the Government, to any of its departments or to another prescribed mandatary, the supply is deemed not to be a supply.

2012, c. 28, s. 43.

**30.** A supply, by way of lease, licence or similar arrangement, of the use or right to use an immovable or corporeal movable property is deemed to be a supply of an immovable or corporeal movable property, as the case may be.

1991, c. 67, s. 30.

**30.0.1.** A supply of movable property delivered electronically is deemed to be a supply of incorporeal movable property.

2002, c. 9, s. 154.

**30.1.** *(Repealed).*

1993, c. 19, s. 173; 1995, c. 63, s. 312.

**31.** Where a supply of an immovable includes the provision of a property described in subparagraph 1 of the second paragraph and a property described in subparagraph 2 of that paragraph,

(1) the property described in subparagraph 1 of the second paragraph and the property described in subparagraph 2 of that paragraph are each deemed to be a separate property;

(2) the provision of the property described in subparagraph 1 of the second paragraph is deemed to be a supply separate from the provision of the property described in subparagraph 2 of that paragraph; and

(3) neither supply is incidental to the other.

The property referred to in the first paragraph is

(1) an immovable that is

(a) a residential complex,

(b) land, a building or part of a building that forms or is reasonably expected to form part of a residential complex, or

(c) a residential trailer park; or

(2) another immovable that is not part of an immovable referred to in subparagraph 1.

1991, c. 67, s. 31; 1994, c. 22, s. 377; 1997, c. 85, s. 436.

**31.1.** *(Repealed).*

1994, c. 22, s. 378; 1997, c. 85, s. 437.

**32.** Where a builder of an addition to a multiple unit residential complex makes a supply of the complex or an interest in it by way of sale that, but for this section, would be a taxable supply and, but for the construction of the addition, would be an exempt supply described in section 97,

(1) the addition and the remainder of the complex are each deemed to be a separate property;

(2) the sale of the addition or interest in it is deemed to be a supply separate from the sale of the remainder of the complex or interest in it; and

(3) neither supply is incidental to the other.

1991, c. 67, s. 32; 1994, c. 22, s. 379.



**32.1.** Where a person who has increased the area of land included in a residential trailer park of the person (in this section referred to as the “additional area”) makes a supply of the park or an interest in it that, but for this section, would be a taxable supply and, but for the additional area, would be an exempt supply described in section 97.3,

- (1) the additional area and the remainder of the park are each deemed to be a separate property;
- (2) the sale of the additional area or the interest therein is deemed to be a supply separate from the sale of the remainder of the park or the interest in the park; and
- (3) neither supply is incidental to the other.

1994, c. 22, s. 380.

**32.2.** Where a supply of property is made by way of lease, licence or similar arrangement to a person for consideration that includes a payment that is attributable to a period (in this section referred to as the “lease interval”) that is the whole or a part of the period during which possession or use of the property is provided under the arrangement,

- (1) the supplier is deemed to have made, and the person is deemed to have received, a separate supply of the property for the lease interval;
- (2) the supply of the property for the lease interval is deemed to be made on the earliest of
  - (a) the first day of the lease interval,
  - (b) the day on which the payment that is attributable to the lease interval becomes due, and
  - (c) the day on which the payment that is attributable to the lease interval is made; and
- (3) the payment that is attributable to the lease interval is deemed to be consideration payable in respect of the supply of the property for the lease interval.

1997, c. 85, s. 438.

**32.2.1.** If a recipient of a supply by way of lease, licence or similar arrangement of corporeal movable property exercises an option to purchase the property that is provided for under the arrangement and the recipient begins to have possession of the property under the agreement of purchase and sale of the property at the same time and place as the recipient ceases to have possession of the property as lessee or licensee under the arrangement, that time and place is deemed to be the time and place at which the property is delivered to the recipient in respect of the supply by way of sale of the property to the recipient.

2001, c. 53, s. 281.

**32.3.** Where a supply of a service is made to a person for consideration that includes a payment that is attributable to a period (in this section referred to as the “billing period”) that is the whole or a part of the period during which the service is or is to be rendered under the agreement for the supply,

- (1) the supplier is deemed to have made, and the person is deemed to have received, a separate supply of the service for the billing period;
- (2) the supply of the service for the billing period is deemed to be made on the earliest of
  - (a) the first day of the billing period,
  - (b) the day on which the payment that is attributable to the billing period becomes due, and
  - (c) the day on which the payment that is attributable to the billing period is made; and

(3) the payment that is attributable to the billing period is deemed to be consideration payable in respect of the supply of the service for the billing period.

1997, c. 85, s. 438.

**32.4.** Where a taxable supply of an immovable includes the provision of an immovable of which part is situated in Québec and another part is situated outside Québec but within Canada, for the purpose of determining whether a taxable supply of the immovable is made in Québec and determining the tax payable, if any, under section 16 in respect of the supply,

(1) the provision of the part of the immovable that is situated in Québec and the provision of the part of the immovable that is situated outside Québec are each deemed to be a separate taxable supply made for separate consideration; and

(2) the supply of the part of the immovable that is situated in Québec is deemed to be made for consideration equal to the portion of the total consideration for all of the immovable that may reasonably be attributed to that part.

1997, c. 85, s. 438.

**32.5.** For the purpose of determining the tax payable under section 16 in respect of a supply of a freight transportation service, within the meaning of section 193, that includes the provision of a service of transporting particular corporeal movable property to a destination in Québec and other corporeal movable property to a destination outside Québec but within Canada and determining whether the supply of the service is made in Québec,

(1) the provision of the service of transporting the particular property and the provision of the service of transporting the other property are each deemed to be a separate supply made for separate consideration; and

(2) the supply of the service of transporting the particular property is deemed to be made for consideration equal to the portion of the total consideration that may reasonably be attributed to the transportation of the particular property.

1997, c. 85, s. 438.

**32.6.** For the purposes of section 32.7, “telecommunications channel” means a telecommunications circuit, line, frequency, channel, partial channel or other means of sending or receiving a telecommunication but does not include a satellite channel.

1997, c. 85, s. 438.

**32.7.** Where a person supplies a telecommunication service of granting to the recipient of the supply sole access to a telecommunications channel for transmitting telecommunications between a place in Québec and a place outside Québec but within Canada, the consideration for the supply of the service is deemed to be equal to the amount determined by the formula

$$(A / B) \times C.$$

For the purposes of this formula,

(1) A is the distance over which the telecommunications would be transmitted in Québec if the telecommunications were transmitted solely by means of cable and related telecommunications facilities located in Canada that connected, in a direct line, the transmitters for emitting and receiving the telecommunications;

(2) B is the distance over which the telecommunications would be transmitted in Canada if the telecommunications were transmitted solely by such means; and

(3) C is the total consideration paid or payable by the recipient for the sole access to the telecommunications channel.

1997, c. 85, s. 438.

**33.** Where corporeal movable property is supplied in a covering or container that is usual for that class of property, the covering or container is deemed to form part of the property so supplied.

1991, c. 67, s. 33.

**34.** Where a particular property or service is supplied together with any other property or service for a single consideration, and it may reasonably be regarded that the provision of the other property or service is incidental to the provision of the particular property or service, the other property or service is deemed to form part of the particular property or service so supplied.

1991, c. 67, s. 34; 1993, c. 19, s. 174; 1995, c. 1, s. 256.

**34.1.** *(Repealed).*

1993, c. 19, s. 175; 1995, c. 63, s. 313.

**34.2.** *(Repealed).*

1993, c. 19, s. 175; 1994, c. 22, s. 381; 1995, c. 63, s. 313.

**34.3.** *(Repealed).*

1993, c. 19, s. 175; 1995, c. 1, s. 257.

**34.4.** *(Repealed).*

1994, c. 22, s. 382; 1995, c. 1, s. 358.

**35.** Where one or more financial services are supplied together with one or more other services that are not financial services, or with properties that are not capital properties of the supplier, for a single consideration, the supply of each of the services and properties is deemed to be a supply of a financial service if

(1) the financial services are related to the other services or the properties, as the case may be;

(2) it is the usual practice of the supplier to supply those or similar services, or those or similar properties and services, together in the ordinary course of the business of the supplier; and

(3) the total of all amounts each of which would be the consideration for a financial service so supplied if that financial service had been supplied separately, is greater than 50% of the total of all amounts each of which would be the consideration for a service or property so supplied if that service or property had been supplied separately.

1991, c. 67, s. 35; 1994, c. 22, s. 383; 2012, c. 28, s. 44.

**36.** Where a person makes a supply of a share, bond or other security that represents capital stock or debt of a particular organization, and ownership of the security by the recipient of the supply is a condition of the recipient's, or another person's, obtaining a membership, or a right to acquire a membership, in the particular organization or in another organization that is related to the particular organization, the supply of the security is deemed to be a supply of a membership and not a supply of a financial service.

A share in a credit union or in a cooperative corporation the main purpose of which is not to provide recreational, sporting or dining facilities is not a security for the purposes of the first paragraph.

1991, c. 67, s. 36; 1994, c. 22, s. 384; 1997, c. 3, s. 117.

**37.** *(Repealed).*

1991, c. 67, s. 37; 1994, c. 22, s. 385.

**38.** *(Repealed).*

1991, c. 67, s. 38; 1994, c. 22, s. 385.

**39.** Notwithstanding section 35, where a discounter within the meaning of the Tax Rebate Discounting Act (Revised Statutes of Canada, 1985, chapter T-3) pays an amount to a person to acquire from that person a right to a refund of tax within the meaning of that Act,

(1) the discounter is deemed to have made a taxable supply of a service for consideration equal to the lesser of \$30 and 2/3 of the amount by which the amount of the refund exceeds the amount paid by the discounter to the person to acquire the right; and

(2) the discounter is deemed to have made a separate supply of a financial service for consideration equal to the amount by which the amount of the refund exceeds the total of the amount paid by the discounter to the person to acquire the right and the amount determined under paragraph 1.

1991, c. 67, s. 39.

**39.1.** For the purposes of section 39.2, “feed” means

(1) grain or seed that is described in paragraph 2 of section 178 and used as feed for farm livestock that is ordinarily raised or kept to produce, or to be used as, food for human consumption or to produce wool;

(2) feed that is a complete feed, supplement, macro-premix, micro-premix or mineral feed, other than a trace mineral salt feed, the supply of which in bulk quantities of at least 20 kg would be a zero-rated supply included in Division IV of Chapter IV; and

(3) by-products of the food processing industry and plant or animal products, the supply of which in bulk quantities of at least 20 kg would be a zero-rated supply included in Division IV of Chapter IV.

1994, c. 22, s. 386; 1995, c. 1, s. 258.

**39.2.** Where, in the course of operating a feedlot that is a farming business within the meaning of the Taxation Act (chapter I-3), a person makes a supply of a service and the consideration for the supply (in this section referred to as the “total charge”) includes a particular amount that is identified in the invoice or agreement in writing for the supply as being attributable to feed,

(1) the provision of the feed is deemed to be a supply separate from the supply of the service and not to be incidental to the provision of any other property or service;

(2) the portion, not exceeding 90%, of the total charge that is reasonably attributable to the feed and is included in the particular amount is deemed to be the consideration for the supply of the feed; and

(3) the difference between the total charge and the consideration for the supply of the feed is deemed to be the consideration for the supply of the service.

1994, c. 22, s. 386.

**39.3.** For the purposes of sections 39.3 to 41,

“estimated reserves” of minerals means the estimated quantities of minerals that geological and engineering data demonstrate, with reasonable certainty, to be recoverable under existing economic and operating conditions;

“farm-out agreement” means an agreement referred to in section 39.4;

“natural resource right” means

- (1) a right to exploit a mineral deposit;
- (2) a right to explore for a mineral deposit;
- (3) a right of entry or user relating to a right referred to in paragraph 1 or 2; or
- (4) a right to an amount computed by reference to the production, including profit, from, or to the value of production from, a mineral deposit;

“specified mining or well-site equipment”, in relation to the exploration or development of unproven property under a farm-out agreement, means

(1) equipment, installations and structures for use at a mine site in the production of minerals from the mine and not in the milling, smelting, refining or other processing of the minerals after production; and

(2) equipment, installations and structures for use at a well site in the production of minerals from the well, including a heater, dehydrator or other well-site facility for the initial treatment of substances produced from the well to prepare such production for transportation but excluding

(a) any equipment, installation, structure or facility that serves or is intended to serve a well that has not been drilled in the course of the exploration or development under that agreement, and

(b) any equipment, installation, structure or facility for use in the refining of oil or the processing of natural gas including the separation therefrom of liquid hydrocarbons, sulphur or other joint products or by-products;

“unproven property” means an immovable for which estimated reserves of minerals have not been established.

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2001, c. 53, s. 282.

**39.4.** If, under an agreement in writing between a person (in this section referred to as the “farmor”) and another person (in this section referred to as the “farmee”), the farmor transfers to the farmee particular natural resource rights, or portions of them, relating to unproven property in consideration or part consideration for the farmee undertaking the exploration of the property for mineral deposits, providing information, or the right to it, gathered from the exploration and, subject to any conditions that may be provided in the agreement, developing the property for the production of minerals, the following rules apply:

(1) the value, as consideration, of any property or service given by the farmor to the farmee under the agreement is deemed to be nil to the extent that the property or service is given as consideration for any of the following (each of which is referred to in this section as the “farmee’s contribution”):

(a) the undertaking of that exploration or development,

(b) the provision of that information, or the right to it, and

(c) any transfer under the agreement by the farmee to the farmor of any interest in specified mining or well-site equipment that is used by the farmee exclusively in that exploration or development;

(2) the value of the farmee’s contribution as consideration for any property or service given by the farmor to the farmee under the agreement is deemed to be nil; and

(3) if part of the consideration given by the farmor for the farmee's contribution is property or a service (each of which is referred to in this paragraph as the "farmor's additional contribution") that is not a natural resource right relating to unproven property,

(a) the farmee is deemed to have made, at the place at which the unproven property is situated, a taxable supply of a service to the farmor separate from any supply by the farmee under the agreement and that service is deemed to be consideration for the farmor's additional contribution,

(b) the value of that service and the value of the farmor's additional contribution as consideration for the supply of that service are each deemed to be equal to the fair market value of the farmor's additional contribution determined at the time (in this paragraph referred to as the "time of transfer") that

i. if the farmor's additional contribution is a service, performance of the service commences, and

ii. in any other case, ownership of the farmor's additional contribution is transferred to the farmee,

(c) all of the consideration for the farmor's additional contribution and the consideration for the service deemed to have been supplied by the farmee are deemed to become due at the time of transfer, and

(d) if, in addition to the farmee's contribution, the farmee supplies to the farmor other property or services, other than the service deemed under subparagraph *a* to have been supplied, for which part of the consideration is the farmor's additional contribution, the value of the consideration for the supply of the other property or services is deemed to be equal to the amount by which the value of that consideration, determined without reference to this subparagraph, exceeds the fair market value of the farmor's additional contribution.

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2001, c. 53, s. 282.

**40.** The supply of the following rights is deemed not to be a supply:

(1) any right to exploit any mineral deposits, peat bogs or deposits of peat or any forestry, fishery or water resources;

(2) any right to explore relating to the deposits, peat bogs or resources referred to in subparagraph 1;

(3) any right of entry or user relating to a right referred to in subparagraph 1 or 2;

(4) any right to an amount computed by reference to the production, including profit, from, or to an amount computed by reference to the value of production from, the deposits, peat bogs or resources referred to in subparagraph 1; or

(5) a right to enter or use land to generate or evaluate the feasibility of generating electricity from the sun or wind.

Any consideration paid or due, or any fee or royalty charged or reserved, in respect of a right referred to in the first paragraph is deemed not to be consideration for the right.

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1991, c. 67, s. 40; 1994, c. 22, s. 387; 2009, c. 15, s. 483.

**41.** Section 40 does not apply to a supply of a right to take or remove forestry products, products that grow in water, fishery products, minerals or peat, to a right of entry or user relating to the products, minerals or peat, or to a right described in subparagraph 5 of the first paragraph of that section, if the supply is made

(1) to a consumer; or

(2) to a person who is not a registrant and who acquires the right in the course of a business of the person to make supplies of the products, minerals or peat or of electricity to consumers.

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1991, c. 67, s. 41; 1994, c. 22, s. 387; 2009, c. 15, s. 484.

2. — *Mandatory*

1994, c. 22, s. 388.

**41.0.1.** Where a registrant, in the course of a commercial activity of the registrant, acts as mandatory in making a supply, otherwise than by auction, on behalf of a person who is required to collect tax in respect of the supply otherwise than as a consequence of the application of paragraph 1 of section 41.1 and the registrant and the person jointly elect in prescribed form containing prescribed information, the following rules apply:

(1) the tax collectible in respect of the supply or any amount charged or collected by the registrant on behalf of the person as or on account of tax in respect of the supply is deemed to be collectible, charged or collected, as the case may be, by the registrant, and not by the person, for the purpose of

(a) determining the net tax of the registrant and the net tax, or the specified net tax, of the person, and

(b) applying sections 447 to 450 and 477.16 and section 20 of the Tax Administration Act (chapter A-6.002);

(2) the registrant and the person are solidarily liable for all obligations that arise from the application of this Title because of

(a) the tax becoming collectible,

(b) a failure to account for or pay, in the manner and within the time specified in this Title, an amount of net tax of the registrant, or an amount that was paid to the registrant or applied on account of a refund or rebate under Divisions II to IV of Chapter VIII to which the registrant was not entitled or that exceeds the refund or rebate to which the registrant was entitled, that is reasonably attributable to the supply,

(c) the registrant claiming, in respect of the supply, an amount as a deduction under sections 443.1 to 446.1 or sections 447 to 450 and 477.16 to which the registrant was not entitled or in excess of the amount to which the registrant was entitled,

(d) a failure to pay, in the manner and within the time specified in this Title, the amount of any underpayment of net tax by the registrant, or an amount that was paid to the registrant or applied on account of a refund or rebate under Divisions II to IV of Chapter VIII to which the registrant was not entitled or that exceeds the refund or rebate to which the registrant was entitled, that is reasonably attributable to a claim referred to in subparagraph c,

(e) a recovery of all or part of a bad debt relating to the supply in respect of which the registrant claimed a deduction under sections 443.1 to 446.1, or

(f) a failure to account for or pay, in the manner and within the time specified in this Title, an amount of net tax of the registrant, or an amount that was paid to the registrant or applied on account of a refund or rebate under Divisions II to IV of Chapter VIII to which the registrant was not entitled or that exceeds the refund or rebate to which the registrant was entitled, that is reasonably attributable to an amount required under section 446 to be added to the net tax of the registrant in respect of a bad debt referred to in subparagraph e; and

(3) the threshold amounts of the registrant and of the person under sections 462 and 462.1 must be determined as if all or part of the consideration that became due to the person, or was paid to the person without having become due, in respect of the supply had become due to the registrant, or had been paid to the registrant without having become due, as the case may be, and not to the person.

1995, c. 63, s. 314; 1997, c. 85, s. 439; 2009, c. 5, s. 597; 2010, c. 31, s. 175; 2019, c. 14, s. 535.

**41.0.2.** If a registrant acts as mandatory of a supplier in charging and collecting consideration and tax payable in respect of a supply made by the supplier but the registrant does not act as mandatory in making the

supply, the registrant is deemed to have acted as mandatary of the supplier in making the supply for the purposes of

(1) section 41.0.1; and

(2) if an election under section 41.0.1 is made in respect of the supply, any other provision that refers to a supply in respect of which an election under that section has been made.

2009, c. 5, s. 598.

**41.0.3.** A registrant and a supplier who have made an election under section 41.0.1 may, in the prescribed form containing prescribed information, jointly revoke the election in respect of a supply made on or after the effective date specified in the revocation, and the election is thereby deemed, for the purposes of this Title, not to have been made in respect of that supply.

2009, c. 5, s. 598.

**41.1.** Where a person (in this section referred to as the “mandator”) makes a supply, other than an exempt or zero-rated supply, of corporeal movable property to a recipient, otherwise than by auction, in the case where the mandator is not required to collect tax in respect of the supply except as provided in this section and a registrant (in this section referred to as the “mandatary”), in the course of a commercial activity of the mandatary, acts as mandatary in making the supply on behalf of the mandator, the following rules apply:

(1) where the mandator is a registrant and the property was last used, or acquired for consumption or use, by the mandator in an endeavour of the mandator, within the meaning of section 42.0.1, and the mandator and the mandatary jointly elect in writing, the supply of the property to the recipient is deemed to be a taxable supply for the following purposes:

(a) all purposes of this Title, other than determining whether the mandator may claim an input tax refund in respect of property or services acquired or brought into Québec by the mandator for consumption or use in making the supply to the recipient, and

(b) the purpose of determining whether the mandator may claim an input tax refund in respect of a service supplied by the mandatary relating to the supply of the property to the recipient; and

(2) in any other case, the supply of the property to the recipient is deemed to be a taxable supply made by the mandatary and not by the mandator, and the mandatary is deemed, except for the purposes of section 327.7, not to have made a supply to the mandator of a service relating to the supply of the property to the recipient.

1994, c. 22, s. 388; 1995, c. 1, s. 259; 1995, c. 63, s. 315; 1997, c. 85, s. 439.

**41.2.** Where a registrant (in this section referred to as the “auctioneer”), acting as auctioneer and mandatary for another person (in this section referred to as the “mandator”) in the course of a commercial activity of the auctioneer, makes, on behalf of the mandator, a supply by auction of movable corporeal property to a recipient, the supply is deemed to be a taxable supply made by the auctioneer and not by the mandator, and the auctioneer is deemed, except for the purposes of section 327.7, not to have made a supply to the mandator of a service relating to the supply of the property to the recipient.

1994, c. 22, s. 388; 1995, c. 63, s. 316; 1997, c. 85, s. 439.

**41.2.1.** Where a registrant (in this section referred to as the “auctioneer”), on a particular day, makes a particular supply by auction of prescribed property on behalf of another registrant (in this section referred to as the “mandator”) and, but for section 41.2, that supply would be a taxable supply made by the mandator, section 41.2 does not apply to the particular supply or to any supply made by the auctioneer to the mandator of a service relating to the particular supply where



(1) the auctioneer and the mandator jointly elect in prescribed form containing prescribed information in respect of the particular supply; and

(2) all or substantially all of the consideration for supplies made by auction on the particular day by the auctioneer on behalf of the mandator is attributable to supplies of prescribed property in respect of which the auctioneer and the mandator have elected under this section.

1997, c. 85, s. 440.

**41.3.** *(Repealed).*

1994, c. 22, s. 388; 1995, c. 63, s. 317; 1997, c. 85, s. 441.

**41.4.** *(Repealed).*

1994, c. 22, s. 388; 1995, c. 1, s. 260; 1995, c. 63, s. 318; 1997, c. 85, s. 441.

**41.5.** *(Repealed).*

1994, c. 22, s. 388; 1995, c. 63, s. 319; 1997, c. 85, s. 441.

**41.6.** Except for sections 294 to 297, 462 and 462.1, where a prescribed registrant, acting in the course of a commercial activity, makes a supply on behalf of another person of incorporeal movable property in respect of a product of an author, performing artist, painter, sculptor or other artist, the following rules apply:

(1) the other person is deemed not to have made the supply to the recipient;

(2) the registrant is deemed to have made the supply to the recipient; and

(3) the registrant is deemed not to have made a supply to the other person of a service in relation to the supply to the recipient.

1994, c. 22, s. 388; 1997, c. 85, s. 442.

§ 3. — *Collecting bodies and collective societies*

**41.7.** In this subdivision 3,

“collecting body” has the meaning assigned by section 79 of the Copyright Act (R.S.C. 1985, c. C-42);

“collective society” means a collective society, within the meaning of section 2 of the Copyright Act, that is a registrant;

“eligible author” has the meaning assigned by section 79 of the Copyright Act;

“eligible maker” has the meaning assigned by section 79 of the Copyright Act;

“eligible performer” has the meaning assigned by section 79 of the Copyright Act.

2015, c. 21, s. 636.

**41.8.** Where a collecting body or a collective society makes a taxable supply to a person that is an eligible author, eligible maker, eligible performer or a collective society and the supply includes a service of collecting or distributing the levy payable under section 82 of the Copyright Act (R.S.C. 1985, c. C-42), the value of the consideration for the supply is, for the purpose of determining tax payable in respect of the supply, deemed to be equal to the amount determined by the formula

A - B.

For the purposes of the formula in the first paragraph,

(1) A is the value of that consideration as otherwise determined for the purposes of this Title; and

(2) B is the part of the value of the consideration referred to in paragraph 1 that is exclusively attributable to the service.

2015, c. 21, s. 636.

§ 2. — *Commercial activity*

**42.** (*Repealed*).

1991, c. 67, s. 42; 1994, c. 22, s. 389.

**42.0.1.** For the purposes of sections 42.0.2 to 42.0.9, “endeavour” of a person means

(1) a business of the person;

(2) an adventure or concern of the person in the nature of trade; or

(3) the making of a supply by the person of an immovable of the person, including anything done by the person in the course of or in connection with the making of the supply.

1995, c. 1, s. 261; 1997, c. 85, s. 443.

**42.0.1.1.** For the purposes of sections 42.0.1.2 to 42.0.5, “consideration” does not include nominal consideration.

1997, c. 85, s. 444.

**42.0.1.2.** For the purposes of sections 42.0.1 to 42.0.9, where an amount is not consideration for a supply and is a grant, subsidy, forgivable loan or other assistance in the form of money and the assistance may reasonably be considered to be provided for the purpose of funding an activity of the registrant that involves the making of taxable supplies for no consideration, the amount is deemed to be consideration for those supplies where it is received by the registrant from a person who is

(1) a government, a municipality or a band within the meaning of section 2 of the Indian Act (Revised Statutes of Canada, 1985, chapter I-5);

(2) a corporation that is controlled by a person referred to in paragraph 1 and one of the main purposes of which is to provide such assistance; or

(3) a trust, board, commission or other body that is established by a person referred to in paragraph 1 or 2 and one of the main purposes of which is to provide such assistance.

1997, c. 85, s. 444.

**42.0.2.** Where a person acquires or brings into Québec property or a service for consumption or use in the course of an endeavour of the person, the person is deemed to have acquired or brought into Québec the property or service for consumption or use in the course of commercial activities of the person, to the extent that the property or service is acquired or brought into Québec by the person for the purpose of making taxable supplies for consideration in the course of that endeavour.

1995, c. 1, s. 261; 1995, c. 63, s. 320; 1997, c. 85, s. 445.

**42.0.3.** Where a person acquires or brings into Québec property or a service for consumption or use in the course of an endeavour of the person, the person is deemed to have acquired or brought into Québec the property or service for consumption or use otherwise than in the course of commercial activities of the person, to the extent that the property or service is acquired or brought into Québec by the person

(1) for the purpose of making supplies in the course of that endeavour that are not taxable supplies made for consideration; or

(2) for a purpose other than the making of supplies in the course of that endeavour.

1995, c. 1, s. 261; 1995, c. 63, s. 321; 1997, c. 85, s. 446.

**42.0.4.** Where a person consumes or uses property or a service in the course of an endeavour of the person, that consumption or use is deemed to be in the course of commercial activities of the person, to the extent that the consumption or use is for the purpose of making taxable supplies for consideration in the course of that endeavour.

1995, c. 1, s. 261; 1995, c. 63, s. 322; 1997, c. 85, s. 447.

**42.0.5.** Where a person consumes or uses property or a service in the course of an endeavour of the person, that consumption or use is deemed to be otherwise than in the course of commercial activities of the person, to the extent that the consumption or use is

(1) for the purpose of making supplies in the course of that endeavour that are not taxable supplies made for consideration; or

(2) for a purpose other than the making of supplies in the course of that endeavour.

1995, c. 1, s. 261; 1995, c. 63, s. 323; 1997, c. 85, s. 448.

**42.0.6.** Where a supplier makes a taxable supply (in this section referred to as a “free supply”) of property or a service for no consideration or nominal consideration in the course of a particular endeavour of the supplier and it can reasonably be regarded that among the purposes (in this section referred to as the “specified purposes”) for which the free supply is made is the purpose of facilitating, furthering or promoting the acquisition, consumption or use of other property or services by any other person, or an endeavour of any person, the following rules apply:

(1) for the purposes of sections 42.0.2 and 42.0.3, the supplier is deemed to have acquired or brought into Québec a particular property or service for use in the course of the particular endeavour, and for the specified purposes and not for the purpose of making the free supply, to the extent that the supplier acquired or brought into Québec the particular property or service for the purpose of making the free supply of that property or service or for consumption or use in the course of making the free supply; and

(2) for the purposes of sections 42.0.4 and 42.0.5, the supplier is deemed to have consumed or used a particular property or service for the specified purposes and not for the purpose of making the free supply, to the extent that he consumed or used the particular property or service for the purpose of making the free supply.

1995, c. 1, s. 261; 1995, c. 63, s. 324.

**42.0.7.** Subject to sections 42.0.10 to 42.0.24, the methods used by a person in a fiscal year to determine the extent to which properties or services are acquired or brought into Québec by the person for the purpose of making taxable supplies for consideration or for other purposes and the extent to which the consumption or use of properties or services is for the purpose of making taxable supplies for consideration or for other purposes must be fair and reasonable and must be used consistently by the person throughout the year.

1995, c. 1, s. 261; 1995, c. 63, s. 325; 1997, c. 85, s. 449; 2012, c. 28, s. 45; 2015, c. 21, s. 637.

**42.0.8.** Where under a particular provision of this Title, other than sections 42.0.2 to 42.0.6, certain facts or circumstances are deemed to exist, and that deeming is dependent, in whole or in part, on the particular circumstance that property or a service is or was acquired or brought into Québec for consumption or use, or consumed or used, to a certain extent in the course of, or otherwise than in the course of, commercial activities or other activities, the following rules apply:

(1) for the purpose of determining whether the particular circumstance exists, that certain extent shall be determined under sections 42.0.2 to 42.0.5; and

(2) where it is determined that the particular circumstance exists and all other circumstances necessary for the particular provision to apply exist, the deeming by the particular provision applies notwithstanding sections 42.0.2 to 42.0.5.

1995, c. 1, s. 261.

**42.0.9.** Where under a provision of this Title, the consideration for a supply is deemed not to be consideration for the supply, a supply is deemed to be made for no consideration or a supply is deemed not to have been made by a person, that deeming does not apply for the purposes of sections 42.0.1 to 42.0.6.

1995, c. 1, s. 261.

**42.0.10.** For the purposes of this section and sections 42.0.11 to 42.0.24,

“business input” means an excluded input, an exclusive input or a residual input;

“direct attribution method” means a method, conforming to criteria, rules, terms and conditions specified by the Minister of National Revenue, of determining in the most direct manner the operative extent and the procurative extent of a property or a service;

“direct input” means a property or a service, other than an excluded input, an exclusive input or a non-attributable input;

“excluded input” of a person means

(1) a property that is for use by the person as capital property;

(2) a property or a service that is acquired or brought into Québec by the person for use as an improvement to a property described in paragraph 1; or

(3) a prescribed property or service;

“exclusive input” of a person means a property or a service (other than an excluded input) that is acquired or brought into Québec by the person for consumption or use directly and exclusively for the purpose of making a taxable supply for consideration or directly and exclusively for purposes other than making a taxable supply for consideration;

“non-attributable input” of a person means a property or a service that is

(1) not an excluded input or an exclusive input of the person;

(2) acquired or brought into Québec by the person; and

(3) not attributable to the making of any particular supply by the person;

“operative extent” of a property or a service means, as the case may be, the extent to which the consumption or use of the property or service is for the purpose of making a taxable supply for consideration or the extent to which the consumption or use of the property or service is for purposes other than making a taxable supply for consideration;

“procurative extent” of a property or a service means, as the case may be, the extent to which the property or service is acquired or brought into Québec for the purpose of making a taxable supply for consideration or the extent to which the property or service is acquired or brought into Québec for purposes other than making a taxable supply for consideration;

“qualifying institution” for a particular fiscal year means a person that meets the conditions set out in the definition of “qualifying institution” in subsection 1 of section 141.02 of the Excise Tax Act (R.S.C. 1985, c. E-15);

“residual input” means a direct input or a non-attributable input;

“specified method” means a method, conforming to criteria, rules, terms and conditions specified by the Minister of National Revenue, of determining the operative extent and the procurative extent of a property or a service.

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2012, c. 28, s. 46.

**42.0.11.** For the purposes of sections 42.0.10 and 42.0.12 to 42.0.24, the following rules apply:

(1) a consideration does not include a nominal consideration; and

(2) a person is deemed to be a financial institution of a prescribed class throughout a fiscal year of the person if the person is a financial institution of that class at any time in the fiscal year.

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2012, c. 28, s. 46.

**42.0.12.** The following rules apply in respect of an exclusive input of a financial institution:

(1) if the exclusive input is acquired or brought into Québec for consumption or use directly and exclusively for the purpose of making a taxable supply for consideration, the financial institution is deemed to have acquired or brought into Québec the exclusive input for consumption or use exclusively in the course of commercial activities of the financial institution; and

(2) if the exclusive input is acquired or brought into Québec for consumption or use directly and exclusively for purposes other than that mentioned in paragraph 1, the financial institution is deemed to have acquired or brought into Québec the exclusive input for consumption or use exclusively otherwise than in the course of commercial activities of the financial institution.

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2012, c. 28, s. 46.

**42.0.13.** If a financial institution is a qualifying institution for any of its fiscal years, the following rules apply for the fiscal year in respect of a residual input:

(1) the extent to which the consumption or use of the residual input is for the purpose of making a taxable supply for consideration is deemed to be equal to the prescribed percentage for the prescribed class of the financial institution;

(2) the extent to which the consumption or use of the residual input is for purposes other than that mentioned in paragraph 1 is deemed to be equal to the amount by which 100% exceeds the prescribed percentage for the prescribed class of the financial institution;

(3) the extent to which the residual input is acquired or brought into Québec by the financial institution for the purpose of making a taxable supply for consideration is deemed to be equal to the prescribed percentage for the prescribed class of the financial institution;

(4) the extent to which the residual input is acquired or brought into Québec by the financial institution for purposes other than that mentioned in paragraph 3 is deemed to be equal to the amount by which 100% exceeds the prescribed percentage for the prescribed class of the financial institution; and

(5) for the purpose of determining an input tax refund in respect of the residual input, the value of B in the formula in the first paragraph of section 199 is deemed to be equal to the prescribed percentage for the prescribed class of the financial institution.

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2012, c. 28, s. 46.

**42.0.14.** Subject to the second paragraph, if a person is a financial institution (other than a qualifying institution) of a prescribed class throughout any of the person's fiscal years and the person made an election under subsection 9 of section 141.02 of the Excise Tax Act (R.S.C. 1985, c. E-15) for the fiscal year, the following rules apply for the fiscal year in respect of each residual input of the person:

(1) the extent to which the consumption or use of the residual input is for the purpose of making a taxable supply for consideration is deemed to be equal to the prescribed percentage for the prescribed class of the financial institution;

(2) the extent to which the consumption or use of the residual input is for purposes other than that mentioned in subparagraph 1 is deemed to be equal to the amount by which 100% exceeds the prescribed percentage for the prescribed class of the financial institution;

(3) the extent to which the residual input is acquired or brought into Québec by the financial institution for the purpose of making a taxable supply for consideration is deemed to be equal to the prescribed percentage for the prescribed class of the financial institution;

(4) the extent to which the residual input is acquired or brought into Québec by the financial institution for purposes other than that mentioned in subparagraph 3 is deemed to be equal to the amount by which 100% exceeds the prescribed percentage for the prescribed class of the financial institution; and

(5) for the purpose of determining an input tax refund in respect of the residual input, the value of B in the formula in the first paragraph of section 199 is deemed to be equal to the prescribed percentage for the prescribed class of the financial institution.

The election referred to in the first paragraph in respect of a fiscal year of the person ceases to have effect at the beginning of the fiscal year and is deemed never to have been made for the purposes of this Title if, under subsection 30 of section 141.02 of the Excise Tax Act, the election ceases to have effect at the beginning of the fiscal year and is deemed never to have been made for the purposes of Part IX of that Act.

2012, c. 28, s. 46.

**42.0.15.** If a financial institution (other than a qualifying institution) has not made the election referred to in section 42.0.14 in respect of any of its fiscal years, the financial institution shall use a specified method to determine for the fiscal year the operative extent and the procurative extent of each of its non-attributable inputs.

Despite the first paragraph, if a financial institution (other than a qualifying institution) has not made the election referred to in section 42.0.14 in respect of any of its fiscal years and no specified method applies during the fiscal year to a particular non-attributable input of the financial institution, the financial institution shall use another attribution method to determine for the fiscal year the operative extent and the procurative extent of the particular non-attributable input.

The specified method used by a financial institution in accordance with the first paragraph, or the other attribution method used by the financial institution in accordance with the second paragraph, to determine the operative extent and the procurative extent of a non-attributable input for any of its fiscal years must be the same as that used, if applicable, by the financial institution for the fiscal year in respect of the non-attributable input in accordance with subsection 10 of section 141.02 of the Excise Tax Act (R.S.C. 1985, c. E-15) or subsection 11 of that section, as the case may be.

2012, c. 28, s. 46.

**42.0.16.** If a financial institution (other than a qualifying institution) has not made the election referred to in section 42.0.14 in respect of any of its fiscal years, the financial institution shall use a direct attribution method to determine for the fiscal year the operative extent and the procurative extent of each of its direct inputs.

Despite the first paragraph, if a financial institution (other than a qualifying institution) has not made the election referred to in section 42.0.14 in respect of any of its fiscal years and no direct attribution method applies during the fiscal year to a particular direct input of the financial institution, the financial institution shall use another attribution method to determine in the most direct manner for the fiscal year the operative extent and the procurative extent of the particular direct input.

The direct attribution method used by a financial institution in accordance with the first paragraph, or the other attribution method used by the financial institution in accordance with the second paragraph, to determine the operative extent and the procurative extent of a direct input for any of its fiscal years must be the same as that used, if applicable, by the financial institution for the fiscal year in respect of the direct input in accordance with subsection 12 of section 141.02 of the Excise Tax Act (R.S.C. 1985, c. E-15) or subsection 13 of that section, as the case may be.

2012, c. 28, s. 46.

**42.0.17.** A financial institution shall use a specified method to determine for any of its fiscal years the operative extent and the procurative extent of each of its excluded inputs.

Despite the first paragraph, if no specified method applies during any of the fiscal years of a financial institution to a particular excluded input of the financial institution, the financial institution shall use another attribution method to determine for the fiscal year the operative extent and the procurative extent of the particular excluded input.

The specified method used by a financial institution in accordance with the first paragraph, or the other attribution method used by the financial institution in accordance with the second paragraph, to determine the operative extent and the procurative extent of an excluded input for any of its fiscal years must be the same as that used, if applicable, by the financial institution for the fiscal year in respect of the excluded input in accordance with subsection 14 of section 141.02 of the Excise Tax Act (R.S.C. 1985, c. E-15) or subsection 15 of that section, as the case may be.

2012, c. 28, s. 46.

**42.0.18.** Any method that a financial institution is required in accordance with any of sections 42.0.15 to 42.0.17 to use in respect of any of its fiscal years must be

- (1) fair and reasonable;
- (2) used consistently by the financial institution throughout the fiscal year; and

(3) subject to section 42.0.19, determined by the financial institution no later than the day on which the financial institution is required to file the return provided for in Division IV of Chapter VIII for the first reporting period in the fiscal year.

2012, c. 28, s. 46.

**42.0.19.** Any method used by a financial institution in accordance with any of sections 42.0.15 to 42.0.17 in respect of any of its fiscal years may not, after the day on which the financial institution is required to file the return provided for in Division IV of Chapter VIII for the first reporting period in the fiscal year, be altered or substituted with another method for the fiscal year, unless the Minister consents to the alteration or substitution.

Where the Minister of National Revenue consents, in accordance with subsection 17 of section 141.02 of the Excise Tax Act (R.S.C. 1985, c. E-15), that a method used by a financial institution for any of its fiscal years be altered or substituted with another method for the fiscal year, the Minister is deemed to consent to the alteration or substitution.

2012, c. 28, s. 46.

**42.0.20.** Where, in accordance with subsection 20 of section 141.02 of the Excise Tax Act (R.S.C. 1985, c. E-15), the Minister of National Revenue has authorized the use of particular methods in respect of the fiscal year of a person, the following rules apply:

(1) to determine the operative extent and the procurative extent of each of the person's business inputs, the particular methods must be used consistently by the person throughout the fiscal year and as specified in the application filed for that purpose with the Minister of National Revenue under subsection 18 of section 141.02 of the Excise Tax Act; and

(2) sections 42.0.12 to 42.0.17 do not apply for the fiscal year in respect of the person's business inputs.

The authorization referred to in the first paragraph in respect of a fiscal year of the person ceases to have effect at the beginning of the fiscal year and is deemed never to have been granted for the purposes of this Title if, under subsection 23 of section 141.02 of the Excise Tax Act, the authorization ceases to have effect at the beginning of the fiscal year and is deemed never to have been granted for the purposes of Part IX of that Act.

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2012, c. 28, s. 46.

**42.0.21.** Despite sections 42.0.12, 42.0.13 and 42.0.17, where a person has made an election under subsection 27 of section 141.02 of the Excise Tax Act (R.S.C. 1985, c. E-15) for a fiscal year to use particular methods described in an application filed by the person under subsection 18 of section 141.02 of that Act to determine the operative extent and the procurative extent of each of the business inputs of the person, and where the conditions of subsections 27 and 28 of section 141.02 of that Act are met, the particular methods must be used for the fiscal period.

The election referred to in the first paragraph in respect of a fiscal year of the person ceases to have effect at the beginning of the fiscal year and is deemed never to have been made for the purposes of this Title if, under subsection 30 of section 141.02 of the Excise Tax Act, the election ceases to be in force at the beginning of the fiscal year and is deemed never to have been made for the purposes of Part IX of that Act.

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2012, c. 28, s. 46.

**42.0.22.** Where a contestation is filed or an appeal is initiated by a financial institution under the Tax Administration Act (chapter A-6.002) and the contestation or appeal pertains to an assessment under this Title for a reporting period in a fiscal year in respect of an issue relating to the determination, under any of sections 42.0.15 to 42.0.17, 42.0.20 and 42.0.21, of the operative extent or the procurative extent of a business input, the burden of establishing the following facts is on the financial institution:

(1) in the case of the determination of the operative extent or the procurative extent of the business input in accordance with the first paragraph of section 42.0.15 or 42.0.17, the financial institution used a specified method consistently throughout the fiscal year;

(2) in the case of the determination of the operative extent or the procurative extent of the business input in accordance with the second paragraph of section 42.0.15 or 42.0.17, no specified method applied to the business input and the other attribution method used by the financial institution was fair and reasonable and used consistently by the financial institution throughout the fiscal year;

(3) in the case of the determination of the operative extent or the procurative extent of the business input in accordance with the first paragraph of section 42.0.16, the financial institution used a direct attribution method consistently throughout the fiscal year;

(4) in the case of the determination of the operative extent or the procurative extent of the business input in accordance with the second paragraph of section 42.0.16, no direct attribution method applied to the business input and the other attribution method used by the financial institution was fair and reasonable and used consistently by the financial institution throughout the fiscal year;



(5) in the case of the determination of the operative extent or the procurative extent of the business input in accordance with section 42.0.20, the particular methods referred to in that section were used consistently by the financial institution, and as specified in the application referred to in subparagraph 1 of the first paragraph of section 42.0.20, throughout the fiscal year; and

(6) in the case of the determination of the operative extent or the procurative extent of the business input in accordance with section 42.0.21, the particular methods referred to in that section are fair and reasonable, were used consistently by the financial institution, and as specified in the application referred to in the first paragraph of section 42.0.21, throughout the fiscal year, and, where the Minister of National Revenue has provided modifications to those methods under paragraph *e* of subsection 27 of section 141.02 of the Excise Tax Act (R.S.C. 1985, c. E-15), the modified methods are not fair and reasonable for the purposes of that determination.

2012, c. 28, s. 46; 2020, c. 12, s. 141; 2021, c. 36, s. 187; 2022, c. 23, s. 186.

**42.0.23.** Despite sections 42.0.15 to 42.0.17, if under subsection 32 of section 141.02 of the Excise Tax Act (R.S.C. 1985, c. E-15) the Minister of National Revenue directed a financial institution to use another method to determine, for a particular fiscal year or any subsequent fiscal year, the operative extent and the procurative extent of a business input, the other method must also be used by the financial institution in respect of that business input for such a fiscal year.

2012, c. 28, s. 46; 2015, c. 36, s. 202.

**42.0.24.** If a financial institution is required to use another method because of section 42.0.23 in respect of a business input for a fiscal year, the Minister assesses the net tax of the financial institution for a reporting period included in the fiscal year and the financial institution contests or appeals the assessment in respect of an issue relating to the application of that section, the following rules apply:

(1) the burden of proving that the other method is fair and reasonable is on the Minister; and

(2) if a court of last resort determines that the other method is not fair and reasonable, section 42.0.23 may not be applied to require the financial institution to use a particular method for the fiscal year in respect of the business input.

2012, c. 28, s. 46; 2020, c. 12, s. 142.

**42.1.** A person is deemed to have made a supply of movable property in the course of a commercial activity where the person makes a supply, other than an exempt supply, of movable property that

(1) was last acquired or brought into Québec by the person for consumption or use in the course of the person's commercial activities;

(2) was consumed or used by the person in the course of a commercial activity of the person after it was last acquired or brought into Québec by the person;

(3) was manufactured or produced by the person in the course of a commercial activity of the person or for consumption or use in the course of a commercial activity of the person, and was not deemed to have been acquired by the person; or

(4) was manufactured or produced by the person and consumed or used in the course of a commercial activity of the person, and was not deemed to have been acquired by the person.

1994, c. 22, s. 390.

**42.2.** A person is deemed to have made a supply of movable property otherwise than in the course of commercial activities where the person makes a supply, other than a supply made by way of lease, licence or similar arrangement in the course of a business of the person, of movable property that

(1) was last acquired or brought into Québec by the person exclusively for consumption or use in the course of activities of the person that are not commercial activities and was not consumed or used by the person in the course of commercial activities of the person after it was last acquired or brought into Québec by the person; or

(2) was manufactured or produced by the person in the course of activities of the person that are not commercial activities exclusively for consumption or use in the course of activities of the person that are not commercial activities, was not consumed or used in the course of a commercial activity of the person and was not deemed to have been acquired by the person.

1994, c. 22, s. 390.

**42.3.** A person is deemed to have made a supply of movable property or a service in the course of commercial activities of the person where the person makes a supply by way of sale of movable property or a service that was acquired, brought into Québec, manufactured or produced by the person exclusively for the purpose of making a supply of that property or service by way of sale in the course of a business of the person or in the course of an adventure or concern of the person in the nature of trade, except where

(1) the supply is an exempt supply;

(2) section 42.4 applies in respect of the supply; or

(3) the person is an individual or a partnership, all of the members of which are individuals, who carries on the business or engages in the adventure or concern without a reasonable expectation of profit.

1994, c. 22, s. 390.

**42.4.** Where a person makes a supply by way of sale of movable property or a service that was acquired, brought into Québec, manufactured or produced by the person exclusively for the purpose of making an exempt supply of the property or service by way of sale, the person is deemed to have made the supply otherwise than in the course of commercial activities.

1994, c. 22, s. 390.

**42.5.** To the extent that a person does anything, other than make a supply, in connection with the acquisition, establishment, disposition or termination of a commercial activity of the person, the person is deemed to have done that thing in the course of commercial activities of the person.

1994, c. 22, s. 390.

**42.6.** To the extent that a person does anything, other than make a supply, in connection with the acquisition, establishment, disposition or termination of an activity of the person that is not a commercial activity, the person is deemed to have done that thing otherwise than in the course of commercial activities.

1994, c. 22, s. 390.

**42.6.1.** Despite sections 42.1 to 42.6, a supply (other than an exempt supply) made by way of sale of movable property of a municipality is deemed to have been made in the course of its commercial activities.

2015, c. 21, s. 638.

**42.6.2.** Despite sections 42.1 to 42.6, a supply (other than an exempt supply) made by way of sale of movable property of a person designated to be a municipality for the purposes of subdivision 5 of Division I of Chapter VII is deemed to have been made in the course of its commercial activities if the property is designated municipal property of the person.

2015, c. 21, s. 638.

**42.7.** *(Repealed).*

1995, c. 63, s. 326; 2012, c. 28, s. 47.

**43.** Where substantially all of the consumption or use of property or a service by a person, other than a financial institution, is in the course of the person's commercial activities, all of the consumption or use of the property or service by the person is deemed to be in the course of those activities.

1991, c. 67, s. 43; 1994, c. 22, s. 391; 2012, c. 28, s. 48.

**44.** Where substantially all of the consumption or use for which a person, other than a financial institution, acquired or brought into Québec property or a service is in the course of the person's commercial activities, all of the consumption or use for which the person acquired or brought the property or service is deemed to be in the course of those activities.

1991, c. 67, s. 44; 1994, c. 22, s. 391; 2012, c. 28, s. 48.

**45.** Where substantially all of the consumption or use of property or a service by a person, other than a financial institution, is in the course of particular activities of the person that are not commercial activities, all of the consumption or use is deemed to be in the course of those particular activities.

1991, c. 67, s. 45; 1994, c. 22, s. 391; 2012, c. 28, s. 48.

**46.** Where substantially all of the consumption or use for which a person, other than a financial institution, acquired or brought into Québec property or a service is in the course of particular activities of the person that are not commercial activities, all of the consumption or use for which the person acquired or brought the property or service is deemed to be in the course of those particular activities.

1991, c. 67, s. 46; 1994, c. 22, s. 391; 2012, c. 28, s. 48.

**47.** For the purposes of sections 43 to 46, where an immovable includes a residential complex and another part that is not part of the residential complex,

(1) the residential complex is deemed to be a property separate from the other part; and

(2) where property or a service is acquired or brought into Québec for consumption or use in relation to the immovable, sections 43 to 46 apply to the property or service only to the extent that it is acquired or brought into Québec for consumption or use in relation to the part that is not part of the residential complex.

1991, c. 67, s. 47; 1994, c. 22, s. 391; 1997, c. 85, s. 450.

**48.** The following supplies, when made for consideration by a government or municipality or a board, commission or other body established by a government or municipality are, for greater certainty, deemed to be made in the course of a commercial activity, except where the supply is an exempt supply:

(1) a supply of a service of testing or inspecting any property for the purpose of verifying or certifying that the property meets particular standards of quality or is suitable for consumption, use or supply in a particular manner;

(2) a supply to a consumer of a right to hunt or fish;

(3) a supply of a right to take or remove forestry products, products that grow in water, fishery products, minerals or peat, where the supply is made to

(a) a consumer, or

(b) a person who is not a registrant and who acquires the right in the course of a business of the person of making supplies of the products, minerals or peat to consumers;

(4) a supply of a licence, permit, quota or similar right in respect of the bringing into Québec of alcoholic beverages; and

(5) a supply of a right to enter, to have access to or to use property of the government, municipality or other body.

1991, c. 67, s. 48; 1994, c. 22, s. 392.

**48.1.** The following supplies, when made by a sponsor of a foreign convention, are deemed to have been made otherwise than in the course of a commercial activity of the sponsor:

(1) a supply of an admission to the convention;

(2) a supply by way of lease, licence or similar arrangement of an immovable for use by the recipient of the supply exclusively as the site for the promotion, at the convention, of a business of, or of property or services supplied by, the recipient; and

(3) a supply of related convention supplies to the recipient of the supply referred to in paragraph 2.

1994, c. 22, s. 393.

**49.** *(Repealed).*

1991, c. 67, s. 49; 1994, c. 22, s. 394; 1995, c. 1, s. 262.

**50.** *(Repealed).*

1991, c. 67, s. 50; 1997, c. 85, s. 451.

## **DIVISION III**

### **CONSIDERATION**

**51.** The value of the consideration, or any part thereof, for a supply is deemed to be equal,

(1) where the consideration or that part is expressed in money, to the amount of the money; and

(2) where the consideration or that part is expressed otherwise than in money, to the fair market value of the consideration or that part at the time the supply was made.

1991, c. 67, s. 51.

**51.1.** *(Repealed).*

1994, c. 22, s. 395; 1995, c. 63, s. 327; 1997, c. 85, s. 452.

**52.** For the purposes of this section, “provincial levy” means a duty, fee or tax imposed under an Act of the Legislature of Québec, another province, the Northwest Territories, the Yukon Territory or Nunavut in respect of the supply, consumption or use of property or a service.

The consideration for a supply of property or a service includes

(1) any duty, fee or tax imposed under an Act of Canada, other than tax imposed under Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15), that is payable by the recipient, or payable or collectible by the supplier, in respect of that supply or in respect of the production, importation into Canada, consumption or use of the property or service;

(2) any provincial levy that is payable by the recipient, or payable or collectible by the supplier, in respect of that supply or in respect of the consumption or use of the property or service, other than tax payable under this Title and the prescribed duties, fees or taxes payable by the recipient;

(3) any other amount that is collectible by the supplier under an Act of the Legislature of Québec, another province, the Northwest Territories, the Yukon Territory or Nunavut that is equal to, or is collectible on account of or in lieu of, a provincial levy, except where the amount is payable by the recipient and the provincial levy is a prescribed duty, fee or tax.

If, under Title I, a person is deemed to be the recipient of a supply in respect of which another person would, but for that deeming, be the recipient, a reference in this section to the recipient of the supply shall be read as a reference to that other person.

1991, c. 67, s. 52; 2001, c. 53, s. 283; 2003, c. 2, s. 311; 2012, c. 28, s. 49.

### **52.1.** *(Repealed).*

1993, c. 19, s. 176; 1995, c. 63, s. 328; 1997, c. 85, s. 453.

### **53.** The second paragraph shall apply where

(1) consideration is paid for a supply and other consideration is paid for one or more other supplies or matters; and

(2) the consideration for one of the supplies or matters exceeds the consideration that would be reasonable if the other supply were not made or the other matter were not provided.

The consideration for each of the supplies and matters is deemed to be that part of the total of all amounts, each of which is consideration for one of those supplies or matters, that may reasonably be attributed to each of those supplies and matters.

1991, c. 67, s. 53.

### **54.** The value of the consideration or a part of the consideration for a supply of property of a particular class or kind is deemed to be nil where

(1) the consideration or that part of the consideration for the supply of the property is property of that class or kind; and

(2) both the supplier and the recipient are registrants; and

(3) the property is acquired by the recipient and the consideration or that part thereof is acquired by the supplier as inventory for use exclusively in commercial activities of the recipient or supplier, as the case may be.

1991, c. 67, s. 54.

**54.1.** Where, at the time a supplier makes a supply of corporeal movable property to a recipient, the supplier accepts, in full or partial consideration for the supply, other property (in this section and in section 54.2 referred to as the “trade-in”) that is used corporeal movable property or a leasehold interest therein and is acquired for consumption, use or supply in the course of a commercial activity of the supplier, and the recipient is not required to collect the tax in respect of the supply of the trade-in otherwise than by reason of the application of subparagraph 3 of the second paragraph of section 422, the value of the consideration for the supply made by the supplier is deemed to be equal to the amount by which the value of the consideration for that supply, as otherwise determined, exceeds

(1) except where paragraph 2 applies, the amount credited to the recipient in respect of the trade-in; and

(2) where the supplier and the recipient are not dealing with each other at arm's length at the time the supply is made and the amount credited to the recipient in respect of the trade-in exceeds the fair market value of the trade-in at the time ownership thereof is transferred to the supplier, that fair market value.

1997, c. 85, s. 454; 2002, c. 9, s. 155; 2019, c. 14, s. 536.

**54.1.1.** If a person (in this section and sections 54.1.2 to 54.1.5 referred to as the “lessee”) makes a supply by way of sale of corporeal movable property to another person (in this section referred to as the “lessor”), the lessee is not required to collect tax in respect of that supply and the lessor immediately makes a taxable supply of the property by way of lease to the lessee under an agreement (in this section and sections 54.1.2 to 54.1.5 referred to as the “original leaseback agreement”), the value of the consideration for a supply of the property by way of lease that, at a particular time, becomes due or is paid without having become due under a particular agreement that is the original leaseback agreement or a subsequent lease in respect of that agreement, is deemed to be equal to the amount determined by the formula

$A - B$ .

For the purposes of this formula,

- (1) A is the value of the consideration as otherwise determined; and
- (2) B is the amount (in this section referred to as the “purchase credit”) that is equal to the lesser of
  - (a) the value of A, and
  - (b) the amount determined by the formula

$C / D$ , or

(c) if there is no unused total purchase credit within the meaning of subparagraph 1 of the third paragraph, zero.

For the purposes of the formula in subparagraph *b* of subparagraph 2 of the second paragraph,

(1) C is the amount (in this section and section 54.1.5 referred to as the “unused total purchase credit”) by which the consideration for the supply by way of sale exceeds the total of all amounts each of which is the purchase credit that was determined in calculating the amount deemed under this section to be the value of any consideration that, before the particular time, became due or was paid without having become due under the original leaseback agreement or a subsequent lease in respect of that agreement; and

(2) D is the specified number of remaining lease payments under the particular agreement at the particular time.

2001, c. 53, s. 284.

**54.1.2.** For the purposes of section 54.1.1, “specified number of remaining lease payments”, at a particular time, in respect of a particular agreement for the supply of property by way of lease that is an original leaseback agreement or a subsequent lease in respect of that agreement, is the amount determined by the formula

A – B.

For the purposes of this formula,

(1) A is the total number of payments that the lessee was obligated to make as consideration for the supplies of the property by way of lease under the particular agreement based on the terms of that agreement at the time it was entered into; and

(2) B is the total number of payments referred to in subparagraph 1 that, before the particular time, became due or were paid by the lessee.

2001, c. 53, s. 284.

**54.1.3.** For the purposes of sections 54.1.1 to 54.1.5, “subsequent lease”, in respect of an original leaseback agreement for the supply of property by way of lease to a lessee, means

(1) an agreement for the supply of the property by way of lease that constitutes a new agreement between the lessee and an assignee of the rights and obligations of the person who is the supplier under the original leaseback agreement or under an agreement referred to in this paragraph or paragraph 2; or

(2) an agreement for the supply of the property by way of lease to the lessee that succeeds, as a new agreement, either the original leaseback agreement or a particular agreement referred to in paragraph 1 or in this paragraph upon a renewal or variation of that original leaseback agreement or particular agreement.

2001, c. 53, s. 284.

**54.1.4.** For the purposes of sections 54.1.1, 54.1.2 and 54.1.5, where a supplier agrees, at any time, to renew, vary, terminate, otherwise than upon the exercise of an option to purchase, or assign a particular agreement for the supply of property by way of lease that is an original leaseback agreement or a subsequent lease in respect of that agreement and the renewal, variation, termination or assignment does not constitute a novation of the particular agreement but has the effect of changing the number of payments that the lessee is obligated to make for supplies by way of lease of the property under the particular agreement, the following rules apply:

(1) the supplier and lessee are deemed to have, at that time, entered into a subsequent lease in respect of the original leaseback agreement; and

(2) all supplies by way of lease for which consideration becomes due, or is paid without having become due, at or after the time the renewal, variation, termination or assignment takes effect that would, but for this section, be made under the particular agreement are deemed to be made under that subsequent lease and not under the particular agreement.

2001, c. 53, s. 284.

**54.1.5.** Except for a purpose contemplated in paragraph 1 of section 54.2, if a supply of property by way of sale is made to a lessee on the exercise by the lessee of an option to purchase the property provided for in an original leaseback agreement entered into by the lessee in respect of the property, or in a subsequent lease in respect of that agreement, to which section 54.1.1 applied, and immediately before the earliest time at which the consideration for the supply becomes due or is paid without having become due, there is an unused total purchase credit in respect of the property, the following rules apply:

(1) the value of the consideration for the supply is deemed to be equal to the amount determined by the formula

A – B; and

(2) section 54.1.1 does not apply to any consideration that, after that earliest time, becomes due or is paid without having become due for any supply of the property by way of lease that was made under the original leaseback agreement or under a subsequent lease in respect of that agreement.

For the purposes of this formula,

(1) A is the value of the consideration for the supply as otherwise determined; and

(2) B is that unused total purchase credit.

2001, c. 53, s. 284.

**54.1.6.** For the purposes of sections 54.1.1 to 54.1.5, if a person makes a supply of property by way of sale to a recipient with whom the person is not dealing at arm's length and the consideration for the supply exceeds the fair market value of the property at the time ownership of the property is transferred to the recipient, the consideration for the supply is deemed to be equal to that fair market value.

2001, c. 53, s. 284.

**54.2.** Sections 54.1 and 54.1.1 do not apply

(1) for the purpose of determining, for the purposes of any provision of this Title, whether the value of consideration for a supply of property equals, exceeds or is less than another amount specified in another provision;

(2) for the purposes of sections 294, 295, 297, 462 and 462.1; or

(3) to any supply of a trade-in that is a zero-rated supply, other than a zero-rated supply under section 197.2 made by a small supplier who is not a registrant, a supply made outside Québec or a supply in respect of which no tax is payable because of paragraph 1 of section 75.1 or section 334;

(4) *(paragraph repealed)*.

1997, c. 85, s. 454; 2001, c. 51, s. 263; 2002, c. 9, s. 156; 2003, c. 9, s. 456; 2005, c. 38, s. 363; 2019, c. 14, s. 537.

**54.3.** If natural gas is transported by pipeline to a straddle plant at which natural gas liquids or ethane (each of which is referred to in this section as “natural gas liquids”) is recovered from the natural gas, the residue gas is returned to the pipeline after the recovery along with other natural gas (in this section referred to as “make-up gas”) that is supplied solely to make up for the loss of energy content due to the recovery, and the consideration or a part of the consideration for any supply of the natural gas liquids, or the right to recover the liquids, or any supply of make-up gas is, in the case of a supply of natural gas liquids or the right to recover the liquids, the make-up gas, and, in the case of a supply of make-up gas, the natural gas liquids or the right to recover the liquids, the value of that consideration or part, as the case may be, is deemed to be nil.

2001, c. 53, s. 285.

**55.** Where a supply of property or a service is made between persons not dealing with each other at arm's length for no consideration or for consideration less than the fair market value of the property or service at the time the supply is made, and the recipient of the supply is not a registrant who is acquiring the property or service for consumption, use or supply exclusively in the course of commercial activities of the recipient,



(1) if no consideration is paid for the supply, the supply is deemed to be made for consideration, paid at that time, of a value equal to the fair market value of the property or service at that time; and

(2) if consideration is paid for the supply, the value of the consideration is deemed to be equal to the fair market value of the property or service at that time.

This section does not apply in respect of

(1) a supply of property or a service made by a person where

(a) an amount is deemed under section 290 to be the total consideration for the supply, or

(b) in the absence of the first paragraph,

i. the person, because of section 203 or 206, would not be entitled to claim an input tax refund in respect of the acquisition or bringing into Québec of the property or service by the person,

ii. section 286 would apply to the supply, or

iii. the supply would be an exempt supply referred to in Division V.1 or VI of Chapter III; or

(2) a supply by way of sale, other than by way of gift, of a used road vehicle made between related individuals.

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1991, c. 67, s. 55; 1993, c. 19, s. 177; 1994, c. 22, s. 396; 1995, c. 63, s. 329; 1997, c. 85, s. 455; 2002, c. 9, s. 157.

**55.0.1.** Where a taxable supply by way of sale of a used road vehicle that must be registered under the Highway Safety Code (chapter C-24.2) following an application by the recipient of the vehicle is made for no consideration or for consideration less than the estimated value of the vehicle, the following rules apply:

(1) if no consideration is paid for the supply, the supply is deemed to be made for consideration, paid at that time, of a value equal to the estimated value of the vehicle; and

(2) if the consideration for the supply is less than the estimated value of the vehicle, the value of the consideration is deemed to be equal to that estimated value.

This section does not apply in respect of

(1) a supply of a road vehicle made following the exercise by the recipient of a right to acquire the vehicle, conferred on the recipient under an agreement in writing for the lease of the vehicle entered into by the recipient and the supplier;

(2) a supply of a road vehicle deemed to be made or received for no consideration or for consideration equal to the fair market value of the vehicle;

(3) a supply of a road vehicle in respect of which tax is deemed to be collected or paid; or

(4) a supply of a road vehicle made between individuals related to each other otherwise than by way of gift.

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1995, c. 1, s. 263; 2002, c. 9, s. 158.

**55.0.2.** For the purposes of section 55.0.1, the estimated value of a road vehicle is

(1) in the case of a vehicle for which the average wholesale price is listed in the most recent edition, on the first day of the month in which the vehicle is supplied, of the *Guide d'Évaluation Hebdo (Automobiles et Camions Légers)* published by Société Trader Corporation, that price less an amount of \$500;

(1.1) *(paragraph repealed)*;

(2) in the case of a vehicle for which an average wholesale price is listed in the most recent edition, on the first day of the month preceding the month in which the vehicle is supplied, of the *Canadian Motorcycle Dealers Blue Book* published by All Seasons Publications Ltd., that price less an amount of \$500;

(3) in the case of a vehicle for which an average wholesale price is listed in the most recent edition, on the first day of the month preceding the month in which the vehicle is supplied, of the *Canadian ATV, Snowmobile & Watercraft Dealers Blue Book* published by All Seasons Publications Ltd., that price less an amount of \$500; and

(4) in any other case, the value of the vehicle determined by the Minister.

1995, c. 1, s. 263; 1995, c. 63, s. 330; 1997, c. 14, s. 333; 2000, c. 39, s. 281; 2017, c. 1, s. 446; 2017, c. 29, s. 247.

**55.0.3.** Where section 55.0.1 applies to the supply of a road vehicle that is damaged or shows unusual wear and at the time of the supply the recipient provides the person mentioned in the second paragraph with a written estimate of the vehicle or of the repairs to be carried out in respect of the vehicle, the estimated value of the vehicle described in section 55.0.2 may be reduced by an amount equal to

(1) the amount by which that value exceeds the value of the vehicle stated in the written estimate; or

(2) the amount by which the value stated in the written estimate of the repairs to be carried out in respect of the vehicle exceeds \$500.

The person referred to in the first paragraph is

(1) in the case of a supply under section 20.1, the Minister or a person prescribed for the purposes of section 473.1;

(2) in the case of a supply of a motor vehicle by way of retail sale, the supplier of the vehicle and, as the case may be, the Minister or a person prescribed for the purposes of section 473.1.1; and

(3) in any other case, the supplier of the vehicle.

The written estimate must be made by a person who has been issued a certificate of professional qualification as an estimator of automobile damage by the Groupement des assureurs automobiles, established by the Automobile Insurance Act (chapter A-25), in the course of the person's professional practice within a certified appraisal centre or an establishment accredited by the Groupement.

1995, c. 1, s. 263; 1995, c. 63, s. 331; 2001, c. 51, s. 264; 2004, c. 21, s. 528; 2005, c. 23, s. 274.

**55.1.** The Minister may determine the value of the consideration for the taxable supply of property or a service on which the tax must be calculated if either

(1) the supply is not a supply in respect of which section 55 or 55.0.1 applies, or would apply, but for the second paragraph of those sections, and if

(a) the supply is made for no consideration, or

(b) the value of the consideration for the supply of the property or service is less than the fair market value of the property or service; or

(2) the consideration for the supply of the property or service

(a) is not shown on the invoice or on any other document recording the supply, or

(b) is combined with the consideration for any other supply that is not a taxable supply other than a zero-rated supply.

1993, c. 19, s. 178; 2002, c. 9, s. 159.

**56.** Where the consideration for a supply is expressed in a foreign currency, the value of the consideration shall be computed on the basis of the value of that foreign currency in Canadian currency on the day the tax is payable, or on such other day as is acceptable to the Minister.

1991, c. 67, s. 56.

**57.** Where corporeal movable property or services are supplied and the amount of consideration for the supply shown in the invoice in respect of the supply may be reduced if the amount thereof is paid within a time specified in the invoice or an additional amount is charged to the recipient by the supplier if the amount of the consideration is not paid within a reasonable period specified in the invoice, the consideration due is deemed to be the amount of consideration shown in the invoice.

1991, c. 67, s. 57.

**58.** *(Repealed).*

1991, c. 67, s. 58; 1994, c. 22, s. 397; 1997, c. 85, s. 456.

**58.1.** *(Repealed).*

1994, c. 22, s. 398; 1997, c. 85, s. 456.

**58.2.** *(Repealed).*

1994, c. 22, s. 398; 1997, c. 85, s. 456.

**58.3.** Where an individual, because of membership in a trade union or association referred to in paragraph 1 of section 172, participates in activities of the union or association and, as a consequence, is unable to perform duties, under a contract of employment, for the individual's employer during a period during which the individual would, were it not for the individual's participation in those activities, be obligated to provide such services, and the union or association pays an amount to the employer as compensation for expenses incurred by the employer as a consequence of the individual's participation in those activities or for remuneration or benefits given by the employer to the individual in respect of that period, the amount is deemed not to be consideration for a supply.

1994, c. 22, s. 398.

**59.** *(Repealed).*

1991, c. 67, s. 59; 1994, c. 22, s. 399.

**60.** Where a particular person bets an amount on a game of chance, a race or other event, the following rules apply:

(1) the person with whom the bet is placed is deemed to have made a supply of a service to the particular person;

(2) where the bet is placed in Québec, that supply is deemed to have been made in Québec; and

(3) the consideration for that supply is deemed to be equal to the amount obtained by multiplying the amount by which the total amount in respect of the bet that is given by the particular person to the person with whom the bet is placed, including any amount given as or on account of tax imposed on the particular person

under this Title, exceeds the tax imposed on the particular person under Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15) by 100/109.975.

1991, c. 67, s. 60; 1997, c. 85, s. 457; 2010, c. 5, s. 211; 2011, c. 6, s. 238; 2012, c. 28, s. 50.

**61.** *(Repealed).*

1991, c. 67, s. 61; 1995, c. 63, s. 332; 1997, c. 85, s. 458.

**62.** Where a competitor in a competitive event contributes an amount to the prizes to be given to competitors in the event, the contribution is deemed not to be consideration for a supply.

This section does not apply in respect of a contribution, made as part of the fee or charge paid by the competitor in a competitive event for the right or privilege of participating in the event, that is not separately identified as a contribution to the prizes.

1991, c. 67, s. 62.

**62.1.** An amount that is paid as or on account of demurrage, or by one railway corporation to another railway corporation as or on account of a penalty for failure to return rolling stock within a stipulated time, is deemed not to be consideration for a supply.

1994, c. 22, s. 400.

**63.** For the purposes of this section and sections 64 to 66,

“base fraction”, at a particular time, of a tour package means the proportion that the part of the amount that would be charged by the first supplier of the package for a supply at that time of the package that is, at that time, reasonably attributable to the taxable portion of the package is of the amount that would be charged by the first supplier of the package for a supply at that time of the package;

“first supplier” of a tour package means the person who first supplies the package in Québec;

“initial taxable percentage” of a tour package means the proportion, at the time the first supplier of the package determines the amount to be charged by that supplier for a supply of the package, that the part of that amount that is, at that time, reasonably attributable to the taxable portion of the package is of that amount;

“taxable percentage”, at a particular time, of a tour package means

(1) where the difference between the base fraction at that time of the package and the initial taxable percentage of the package or the base fraction of the package at an earlier time is more than 10%, the base fraction of the package at the particular time, and

(2) in any other case, the initial taxable percentage of the package;

“taxable portion” of a tour package means all property and services included in the tour package and in respect of which tax under section 16 would be payable if the property or service were supplied otherwise than as part of a tour package;

“tour package” means a combination of two or more services, or of property and services, that includes transportation services, accommodation, a right to use a campground or trailer park, or guide or interpreter services, where the property and services are supplied together for an all-inclusive price.

1991, c. 67, s. 63; 1995, c. 63, s. 333; 2019, c. 14, s. 538.

**64.** The consideration for a supply of the taxable portion of a tour package, where the supply is made by the first supplier of the package, is deemed to be the amount determined by the formula

$A \times B.$

For the purposes of this formula,

- (1) A is the taxable percentage of the package at the time the supply is made; and
- (2) B is the total consideration for the entire tour package.

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1991, c. 67, s. 64.

**65.** The consideration for a supply of the taxable portion of a tour package, where the supply is made by any person other than the first supplier of the package, is deemed to be the amount determined by the formula

$A \times B$ .

For the purposes of this formula,

- (1) A is the percentage that the consideration for the supply to the person of the taxable portion of the package is of the total consideration paid or payable by the person for the entire tour package; and
- (2) B is the total consideration paid or payable to the person for the entire tour package.

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1991, c. 67, s. 65.

**66.** The provision of the part of the tour package that is the taxable portion of the package is deemed to be a separate supply from the provision of the remaining part of the package and neither supply is deemed to be incidental to the other.

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1991, c. 67, s. 66.

**66.1.** Where a charity or a public institution makes a taxable supply of property or a service to another person, where the value of the property or service is included in determining the amount of the advantage in respect of a gift by the other person to the charity or public institution under section 7.22 of the Taxation Act (chapter I-3) and where a receipt referred to in section 712 or 752.0.10.3 of that Act may be issued, or could be issued if the other person were an individual, in respect of part of the consideration for the supply, the value of the consideration for the supply is deemed to be equal to the fair market value of the property or service at the time the supply is made.

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2019, c. 14, s. 539.

**67.** *(Repealed).*

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1991, c. 67, s. 67; 1995, c. 63, s. 334.

## **DIVISION IV**

### **SPECIFIC RULES RESPECTING TAXATION**

#### **§ 1. — *Rules respecting calculation***

**68.** Where a person makes a taxable supply and the consideration, or a part thereof, for the supply becomes due, or is paid before it becomes due, at a time when the person is a small supplier who is not a registrant, that consideration or part thereof, as the case may be, shall not be included in calculating the tax payable in respect of the supply.

This section does not apply in respect of

- (1) a supply of an immovable by way of sale;
- (2) a supply of a road vehicle that must be registered under the Highway Safety Code (chapter C-24.2) following an application by the recipient of the supply;
- (3) a supply by way of sale of movable property by a municipality that is capital property of the municipality; or
- (4) a supply by way of sale of designated municipal property of a person designated to be a municipality for the purposes of subdivision 5 of Division I of Chapter VII that is capital property of the person.

1991, c. 67, s. 68; 1995, c. 63, s. 335; 2015, c. 21, s. 639.

**69.** Where tax that is at any time payable under section 16 in respect of one or more supplies included in an agreement, invoice or receipt is an amount that includes a fraction of a cent, the fraction,

- (1) if less than half of a cent, may be disregarded; and
- (2) if equal to or greater than half of a cent, is deemed to be an amount equal to one cent.

1991, c. 67, s. 69; 1997, c. 85, s. 459.

**69.1.** Where the consideration for a supply of a telecommunication service is paid by depositing coins in a coin-operated telephone and the tax payable is equal to a fraction of \$0.05 or to the total of a multiple of \$0.05 and a fraction of \$0.05, the fraction

- (1) if less than \$0.025, may be disregarded; and
- (2) if equal to or greater than \$0.025, is deemed to be an amount equal to \$0.05.

1994, c. 22, s. 401; 1997, c. 85, s. 460.

**69.2.** *(Repealed).*

1994, c. 22, s. 401; 1995, c. 63, s. 336.

**69.3.** *(Repealed).*

1995, c. 1, s. 264; 1997, c. 85, s. 461; 2007, c. 12, s. 318.

**69.3.1.** If a registrant ordinarily uses a cash register to determine the tax payable by a recipient in respect of a taxable supply made by the registrant to the recipient and the cash register does not permit the determination of the tax by multiplying the value of the consideration for the supply by 9.975%, or 14.975% if the registrant determines a total amount made up of both the tax provided for in this Title and the tax provided for in Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15), the following rules apply:

- (1) the registrant may, by means of the cash register, determine the tax payable by multiplying the value of the consideration by 9.97%; and
- (2) the registrant may, by means of the cash register, determine the total amount made up of both the tax provided for in this Title and the tax provided for in Part IX of the Excise Tax Act by multiplying the value of the consideration by 14.97%.

2009, c. 5, s. 599; 2010, c. 5, s. 212; 2011, c. 6, s. 239; 2012, c. 28, s. 51.

**69.4.** *(Repealed).*

1995, c. 1, s. 264; 2007, c. 12, s. 318.

**69.4.1.** Every registrant who applies the rules set out in section 69.3.1 in circumstances other than those described in that section shall incur a penalty of 1% of the tax collected in the period during which the irregularity continues.

2009, c. 5, s. 600.

**69.5.** Where the consideration for a supply of corporeal movable property or a service is paid by depositing a single coin in a mechanical coin-operated device that is designed to accept only a single coin of \$0.25 or less as the total consideration for the supply and the corporeal movable property is dispensed from the device or the service is rendered through the operation of the device, the tax payable in respect of the supply is equal to zero.

For the purposes of the first paragraph, a supply of a right to use the device is deemed to be a supply of a service rendered through the operation of the device.

1997, c. 85, s. 462; 2009, c. 5, s. 601.

**69.6.** Where two or more taxable supplies are included in an invoice, agreement or receipt, the tax payable under section 16 in respect of those supplies, calculated on the consideration for those supplies that is indicated in the invoice, agreement or receipt, may be calculated on the total of that consideration.

1997, c. 85, s. 462.

**70.** *(Repealed).*

1991, c. 67, s. 70; 1994, c. 22, s. 402.

**71.** Where a supply is made, and the consideration therefor is paid, by means of a coin-operated device, the following rules apply:

(1) the recipient is deemed to have received the supply, paid the consideration for the supply, and paid any tax payable in respect of the supply, on the day the consideration for the supply is inserted into the device;

(2) the supplier is deemed to have made the supply, received the consideration for the supply, and collected any tax payable in respect of the supply, on the day the consideration for the supply is removed from the device.

1991, c. 67, s. 71.

**72.** *(Repealed).*

1991, c. 67, s. 72; 1994, c. 22, s. 403.

**73.** *(Repealed).*

1991, c. 67, s. 73; 1993, c. 19, s. 179; 1994, c. 22, s. 403.

**74.** *(Repealed).*

1991, c. 67, s. 74; 1994, c. 22, s. 403.

§ 2. — *Supplies not subject to taxation*

**75.** Where a supplier makes a supply of a business or part of a business that was established or carried on by the supplier or that was established or carried on by another person and acquired by the supplier, and, under the agreement for the supply, the recipient is acquiring ownership, possession or use of all or substantially all of the property that can reasonably be regarded as being necessary for the recipient to be capable of carrying on the business or part as a business,

(1) the supplier is deemed to have made a separate supply of each property and service that is supplied under the agreement for consideration equal to that part of the consideration for the supply of the business or part that can reasonably be attributed to that property or service; and

(2) except where the supplier is a registrant and the recipient is not a registrant, the supplier and the recipient may make a joint election in prescribed form containing prescribed information to have section 75.1 apply to those supplies.

1991, c. 67, s. 75; 1993, c. 19, s. 180; 1994, c. 22, s. 404.

**75.1.** Where a supplier and a recipient make an election under section 75 and the recipient, if a registrant, files the election with the Minister not later than the day on or before which the return under Chapter VIII is required to be filed for the recipient's first reporting period in which tax would, but for this section, have become payable in respect of the supply of any property or service made under the agreement for the supply of the business or part of the business to which the election applies, or on such later day as the Minister may determine on application of the recipient,

(1) no tax is payable in respect of a supply of any property or service made under the agreement other than

- (a) a taxable supply of a service that is to be rendered by the supplier,
- (b) a taxable supply of property by way of lease, licence or similar arrangement,
- (c) where the recipient is not a registrant, a taxable supply by way of sale of an immovable, and
- (d) *(subparagraph repealed)*;

(2) where, but for this section, tax would have been payable by the recipient, otherwise than by reason of section 20.1, in respect of a supply made under the agreement of property that was capital property of the supplier and that is being acquired by the recipient for use as capital property of the recipient, the recipient is deemed to have so acquired the property for use exclusively in the course of commercial activities of the recipient; and

(3) where, notwithstanding this section, tax would not have been payable by the recipient or would have been payable by the recipient under section 20.1 in respect of a supply made under the agreement of property that was capital property of the supplier and that is being acquired by the recipient for use as capital property of the recipient, the recipient is deemed to have so acquired the property for use exclusively in activities of the recipient that are not commercial activities.

1994, c. 22, s. 405; 1995, c. 63, s. 337.

**75.2.** Where a supplier makes a supply of a business or part of a business that was established or carried on by the supplier or that was established or carried on by another person and acquired by the supplier, the recipient is acquiring ownership, possession or use of all or substantially all of the property that can reasonably be regarded as being necessary for the recipient to be capable of carrying on the business or part as a business, and part of the consideration for the supply can reasonably be attributed to goodwill of the



business or part, that part of the consideration shall not be included in calculating the tax payable in respect of the supply.

1994, c. 22, s. 405.

**75.3.** For the purposes of this section and sections 75.4 to 75.9,

“authorized foreign bank” has the meaning assigned by section 2 of the Bank Act (Revised Statutes of Canada, 1985, chapter B-1);

“foreign bank branch” means a branch within the meaning of paragraph *b* of the definition of “branch” in section 2 of the Bank Act;

“qualifying supply” means a supply of a property or service that is made in Québec under an agreement for the supply, other than an agreement between a supplier that is a registrant and a recipient that is not a registrant at the time the agreement is entered into, and

- (1) that is made by a corporation resident in Québec related to the recipient;
- (2) that is made after 27 June 1999, and before

(a) if the Superintendent makes an order under subsection 1 of section 534 of the Bank Act in respect of the recipient after 22 June 2007 but before 22 June 2008, the day that is one year after the day on which the Superintendent makes the order, and

(b) in any other case, 22 June 2008; and

(3) that is received by a recipient that

(a) is a person not resident in Canada,

(b) is, or has filed an application with the Superintendent for an order under subsection 1 of section 524 of the Bank Act to become, an authorized foreign bank, and

(c) acquired the property or service for consumption, use or supply by the recipient for the purposes of the establishment and commencement of business in Québec by the recipient as an authorized foreign bank at a foreign bank branch of the authorized foreign bank.

2009, c. 5, s. 602.

**75.4.** If a supplier and a recipient of a qualifying supply make a joint election in accordance with section 75.9 in respect of the qualifying supply, the following rules apply:

(1) the supplier is deemed to have made, and the recipient is deemed to have received, a separate supply of each property and service that is supplied under the agreement for the qualifying supply for consideration equal to that portion of the consideration for the qualifying supply that can reasonably be attributed to the property or service;

(2) the portion of the consideration for the qualifying supply attributed to goodwill is deemed to be attributed to a taxable supply of incorporeal movable property unless section 75.2 applies to the qualifying supply; and

(3) sections 75.5 to 75.8 apply to the supply of each property and service that is supplied under the agreement for the qualifying supply.

2009, c. 5, s. 602.

**75.5.** If a supplier and a recipient make a joint election referred to in section 75.4 in respect of a qualifying supply made at a particular time, the following rules apply:

(1) no tax is payable in respect of the supply of a property or service made under the agreement for the qualifying supply other than

- (a) a taxable supply of a service that is to be rendered by the supplier,
- (b) a taxable supply of a service unless paragraph 1 of section 75 applies to the qualifying supply,
- (c) a taxable supply of property by way of lease, licence or similar arrangement,
- (d) if the recipient is not a registrant, a taxable supply by way of sale of an immovable,

(e) a taxable supply of a property or service, if the property or service was previously supplied under an agreement for a qualifying supply and, because of this section, no tax was payable in respect of that previous supply of a property or service, or

(f) a taxable supply of incorporeal movable property, other than capital property, if the percentage determined by the following formula is greater than 10%:

$A - B;$

(2) if, but for this section, tax would have been payable by the recipient, otherwise than because of section 20.1, in respect of a supply of property made under the agreement for the qualifying supply that is capital property of the supplier that the recipient acquired for use as capital property, the recipient is deemed to have acquired the property for use exclusively in the course of commercial activities of the recipient;

(3) if, despite this section, tax would not have been payable by the recipient, or would so have been because of section 20.1, in respect of a supply of property made under the agreement for the qualifying supply that is capital property of the supplier that the recipient acquired for use as capital property, the recipient is deemed to have acquired the property for use exclusively in activities of the recipient that are not commercial activities; and

(4) if the recipient acquires, under the agreement for the qualifying supply, property of the supplier that was used by the supplier immediately before the particular time otherwise than as capital property and, but for this section, tax would have been payable by the recipient, otherwise than because of section 20.1, in respect of the supply of the property, the recipient is deemed to have acquired the property for consumption, use or supply in the course of commercial activities of the recipient and otherwise than as capital property.

For the purposes of the formula in subparagraph *f* of subparagraph 1 of the first paragraph,

(1) A is the extent, expressed as a percentage of the total use of the property by the supplier, to which the supplier used the property in commercial activities of the supplier immediately before the particular time; and

(2) B is the extent, expressed as a percentage of the total use of the property by the recipient, to which the recipient used the property in commercial activities of the recipient immediately after the particular time.

2009, c. 5, s. 602.

**75.6.** If a supplier and a recipient make a joint election referred to in section 75.4 in respect of a qualifying supply and, under the agreement for the qualifying supply, the supplier makes a supply of property that is, immediately before the time the qualifying supply is made, a capital property of the supplier and, because of section 75.5, no tax is payable in respect of the supply of the property, the basic tax content of the property of the recipient at any time is to be determined by applying the following rules:

(1) if the last acquisition of the property by the recipient is the acquisition of the property by the recipient at the time the qualifying supply is made, any reference in the definition of “basic tax content” in section 1 to the last acquisition or bringing into Québec of the property by the person is to be read as a reference to the last acquisition or bringing into Québec of the property by the supplier; and

(2) if the last supply to the recipient of the property is the supply to the recipient of the property at the time the qualifying supply is made, the reference in the definition of “basic tax content” in section 1 to the last supply of the property to the person is to be read as a reference to the last supply of the property to the supplier.

2009, c. 5, s. 602.

**75.7.** If a supplier and a recipient make a joint election referred to in section 75.4 in respect of a qualifying supply made before 17 November 2005 under an agreement for the qualifying supply and tax is paid by the recipient in respect of a property or service supplied under the agreement for the qualifying supply despite no tax being payable in respect of that supply because of section 75.5, the tax is deemed, except for the purposes of section 75.6 and despite section 75.5, to have been payable by the recipient in respect of the supply of the property or service and the recipient may deduct, in determining the net tax of the recipient for the reporting period in which the election is filed with the Minister, the total of all amounts each of which is an amount determined by the formula

$A - B$ .

For the purposes of the formula,

(1) A is the amount of tax paid, although no tax is payable because of section 75.5, by the recipient in respect of the supply of the property or service made under the agreement for the qualifying supply; and

(2) B is the total of

(a) all amounts each of which is an input tax refund that the recipient was entitled to claim in respect of the property or service supplied under the agreement for the qualifying supply,

(b) all amounts each of which is an amount, other than an amount determined under this section, that may be deducted by the recipient under this Title in determining the net tax of the recipient for a reporting period in respect of the property or service supplied under the agreement for the qualifying supply, and

(c) all amounts, other than amounts referred to in subparagraphs *a* and *b*, in respect of the tax paid that may be otherwise recovered by way of rebate or refund or otherwise by the recipient in respect of the property or service supplied under the agreement for the qualifying supply.

2009, c. 5, s. 602.

**75.8.** If a supplier and a recipient make a joint election referred to in section 75.4 in respect of a qualifying supply, section 25 of the Tax Administration Act (chapter A-6.002) applies to any assessment or reassessment of an amount payable by the recipient in respect of the supply of a property or service made under the agreement for the qualifying supply.

However, the Minister has until the day that is four years after the later of the following days to make an assessment or reassessment solely for the purpose of taking into account any tax, net tax or any other amount payable by the recipient or remittable by the supplier in respect of the supply of a property or service made under the agreement for the qualifying supply:

- (1) the day on which the election referred to in section 75.4 is filed with the Minister; and
- (2) the day on which the qualifying supply is made.

2009, c. 5, s. 602; 2010, c. 31, s. 175.

**75.9.** A joint election referred to in section 75.4 made by a supplier and a recipient in respect of a qualifying supply is valid only if

(1) the recipient files the election with the Minister in the prescribed form containing prescribed information not later than the particular day that is the latest of

(a) if the recipient is

i. a registrant at the time the qualifying supply is made, the day on which the return under Chapter VIII is required to be filed for the recipient's reporting period in which tax would, but for this section and sections 75.3 to 75.8, have become payable in respect of the supply of a property or service made under the agreement for the qualifying supply, or

ii. not a registrant at the time the qualifying supply is made, the day that is one month after the end of the recipient's reporting period in which tax would, but for this section and sections 75.3 to 75.8, have become payable in respect of the supply of a property or service made under the agreement for the qualifying supply,

(b) 22 June 2008, and

(c) the day that the Minister may determine on application of the recipient;

(2) the qualifying supply is made on or before the day that is one year after the day on which the recipient received for the first time a qualifying supply in respect of which an election referred to in section 75.4 has been made; and

(3) on or before the day on which the election referred to in section 75.4 is filed with the Minister in respect of the qualifying supply, the recipient has not made an election referred to in section 75.1 in respect of the qualifying supply.

2009, c. 5, s. 602.

**76.** Where two or more corporations are merged or amalgamated to form a new corporation, otherwise than as the result of the acquisition of the property of one corporation by another corporation pursuant to the purchase of the property by the other corporation, or as the result of the distribution of the property to the other corporation on the winding-up of the corporation,

(1) except as otherwise provided in this Title, the new corporation is deemed to be a separate person from each of the merged or amalgamated corporations;

(2) for the purposes of sections 444, 446 and 462 to 462.1.1, for the purpose of applying the provisions of this Title in respect of property or a service acquired or brought into Québec by a merged or amalgamated corporation, and for prescribed purposes and provisions, the new corporation is deemed to be the same corporation as, and a continuation of, each merged or amalgamated corporation; and

(3) the transfer of any property by a merged or amalgamated corporation to the new corporation as a consequence of the merger or amalgamation is deemed not to be a supply.

1991, c. 67, s. 76; 1994, c. 22, s. 406; 1995, c. 63, s. 338; 2001, c. 53, s. 286.

**77.** Where at any time a particular corporation is wound up and not less than 90% of the issued shares of each class of the capital stock of the particular corporation were, immediately before that time, owned by another corporation,

(1) for the purposes of sections 444, 446 and 462 to 462.1.1, for the purpose of applying the provisions of this Title in respect of property or a service acquired or brought into Québec by the other corporation as a consequence of the winding-up, and for prescribed purposes and provisions, the other corporation is deemed to be the same corporation as, and a continuation of, the particular corporation; and

(2) the transfer of any property to the other corporation as a consequence of the winding-up is deemed not to be a supply.

1991, c. 67, s. 77; 1994, c. 22, s. 407; 1995, c. 63, s. 339; 2001, c. 53, s. 287.

**78.** *(Repealed).*

1991, c. 67, s. 78; 1997, c. 3, s. 118; 1997, c. 85, s. 463.

**79.** *(Repealed).*

1991, c. 67, s. 79; 1997, c. 3, s. 119; 1997, c. 85, s. 463.

**79.1.** No tax is payable in respect of the supply of a road vehicle of a deceased individual, which road vehicle must be registered under the Highway Safety Code (chapter C-24.2) following an application by the recipient of the vehicle, if the supply is made by the succession of the individual in accordance with the individual's will or the laws relating to the transmission of property on death or in settlement of rights arising out of the individual's marriage.

1993, c. 19, s. 181; 1997, c. 85, s. 464; 2002, c. 6, s. 214; 2005, c. 1, s. 349.

**80.** No tax is payable in respect of the supply of property of a deceased individual made by the succession of the individual where

(1) immediately before death, the individual held the property for consumption, use or supply in the course of a business carried on immediately before the individual's death;

(2) the succession of the individual makes a supply of the property, in accordance with the individual's will or the laws relating to the transmission of property on death, to another individual who is a beneficiary of the individual's succession and a registrant;

(3) the property is received for consumption, use or supply in the course of commercial activities of the other individual; and

(4) the succession and the other individual make a joint election for the purposes of this section.

The other individual is deemed to have acquired the property for use exclusively in commercial activities of the individual.

1991, c. 67, s. 80; 1994, c. 22, s. 408; 1997, c. 85, s. 465.

**80.1.** No tax is payable in respect of the supply by way of gift of a road vehicle that must be registered under the Highway Safety Code (chapter C-24.2) following an application by the recipient of the vehicle, where the supply is made between related individuals.

Similarly, no tax is payable in respect of the supply of such a road vehicle where the supply is made between individuals in settlement of rights arising out of their marriage.

1993, c. 19, s. 182; 1995, c. 1, s. 265; 1997, c. 85, s. 466; 2002, c. 6, s. 215; 2005, c. 1, s. 350.

**80.1.1.** *(Repealed).*

1995, c. 1, s. 266; 1995, c. 63, s. 340; 2015, c. 21, s. 640.

**80.1.2.** No tax is payable in respect of a supply by way of sale of a used road vehicle made between two corporations, other than business corporations, in connection with a transfer under a law of rights and obligations.

2002, c. 9, s. 160.

**80.2.** *(Repealed).*

1993, c. 19, s. 182; 1995, c. 63, s. 341.

**80.3.** Where a sponsor of a convention makes a taxable supply by way of lease, licence or similar arrangement to a person not resident in Québec of an immovable that is acquired by the person exclusively for use as a site for the promotion, at the convention, of a business of, or of property or services supplied by, the person, no tax is payable in respect of that supply to the person or in respect of any supply by the sponsor to the person of property or services that are acquired by the person for consumption or use as related convention supplies in respect of the convention.

1994, c. 22, s. 409.

§ 3. — *Goods not subject to taxation brought into Québec*

**81.** The goods to which subparagraph 2 of the fourth paragraph of section 17 refers are the following:

(1) goods referred to in section 1 of Schedule VII to the Excise Tax Act (R.S.C. 1985, c. E-15);

(2) goods from Canada outside Québec that would be goods to which, with the necessary modifications, paragraph 1 applies if they were from outside Canada, but not including goods that would be classified under tariff item No. 9804.10.00, 9804.20.00, 9804.30.00, 9804.40.00, 9805.00.00 or 9807.00.00 of the schedule to the Customs Tariff (S.C. 1997, c. 36);

(2.1) goods from Canada outside Québec, if

(a) the goods are brought into Québec by

i. an individual who was formerly resident in Québec and is, at the time the goods are brought into Québec, returning to resume residence in Québec after being resident in another province, the Northwest Territories, the Yukon Territory or Nunavut for a period of not less than one year,

ii. an individual who is resident in Québec and is, at the time the goods are brought into Québec, returning after being absent from Québec for a period of not less than one year, or

iii. an individual who is, at the time the goods are brought into Québec, entering Québec with the intention of establishing a residence for a period of not less than 12 months (other than a person who enters Canada in order to reside in Canada for the purpose of employment for a temporary period not exceeding 36 months or for the purpose of studying at an educational institution), and

(b) the goods brought into Québec are for the individual's household or personal use and were owned by and in the possession of the individual before the time they were brought into Québec, provided that, where the goods were owned by and in the possession of the individual for less than 31 days before the time they were brought into Québec, the individual paid a tax of the same nature as the tax payable under this Title that is imposed by the province or territory from which the goods were brought and the individual is not entitled to claim a rebate or a refund of that tax;

(3) medals, trophies and other prizes, not including usual merchantable goods, that are won outside Québec in competitions, that are bestowed, received or accepted outside Québec or that are donated by persons outside Québec, for heroic deeds, valour or distinction;

(4) printed matter that is to be made available to the general public, without charge, for the promotion of tourism, where the printed matter is brought into Québec

(a) by or on the order of a government outside Québec or by an agency or representative of such a government, or

(b) by a board of trade, chamber of commerce, municipal or automobile association or similar organization to which it was supplied for no consideration, other than shipping and handling charges;

(5) goods that are brought into Québec by a charity or a public institution and that have been donated to the charity or institution;

(6) goods that are brought into Québec by a particular person if the goods are supplied to the particular person by a person not resident in Québec for no consideration, other than shipping and handling charges, as replacement parts or as replacement property under a warranty;

(6.1) goods that are brought into Québec solely for the purpose of fulfilling an obligation under a warranty to repair or replace the goods if defective, where replacement goods are supplied for no additional consideration, other than shipping and handling charges, and shipped outside Québec without being consumed or used in Québec except to the extent reasonably necessary or incidental to the transportation of the goods;

(7) goods to the supply of which any of Divisions I to IV of Chapter IV, except paragraph 3.1 of section 178, or any of sections 198.1, 198.2 and 198.4 to 198.6 applies;

(7.1) a motor vehicle acquired by way of a supply made outside Québec in circumstances in which the vehicle, had it been acquired by way of a supply made in Québec in the same circumstances, would have been acquired by way of a zero-rated supply under section 197.2;

(8) goods, other than prescribed goods, that are sent to the recipient of the supply of the goods at an address in Québec by mail or courier, that are from outside Canada and the value of which is not more than \$20;

(8.0.1) goods, other than prescribed goods for the purposes of paragraph 8, that are transported by courier if

(a) the goods are imported into Canada from the United States or Mexico, as determined in accordance with the Customs Tariff, and

(b) the goods have a value of not more than \$40;

(8.1) goods that are prescribed property for the purposes of section 24.1 and that are sent, by mail or courier, to the recipient of the supply of the goods at an address in Québec, where the supplier is registered under Division I of Chapter VIII at the time the goods are brought into Québec;

(9) prescribed goods brought into Québec in prescribed circumstances, under prescribed terms and conditions;

(10) containers to which section 9 of Schedule VII to the Excise Tax Act applies or to which that section could so apply but for the fact that the goods are from Canada outside Québec;

(11) money, certificates or other documents evidencing a right that is a financial instrument;

(12) goods from Canada outside Québec that are supplied to a person by lease, licence or similar arrangement under which continuous possession or use of the goods is provided for a period of more than three months in circumstances in which tax under subsection 1 of section 165 of the Excise Tax Act is payable by the person in respect of the supply;

(13) a mobile home or floating home that has been used or occupied in Québec as a place of residence for individuals;

(14) grain, seeds or mature stalks having no leaves, flowers, seeds or branches, of hemp plants of the genera Cannabis brought into Québec and coming from outside Canada, if

(a) in the case of grain or seeds, they are not further processed than sterilized or treated for seeding purposes and are not packaged, prepared or sold for use as feed for wild birds or as pet food;

(b) in the case of viable grain or seeds, they are included in the definition of “industrial hemp” in section 1 of the Industrial Hemp Regulations made under the Controlled Drugs and Substances Act (S.C. 1996, c. 19) or they are industrial hemp for the purposes of the Cannabis Act (S.C. 2018, c. 16); and

(c) the bringing into Québec is made in accordance with the Controlled Drugs and Substances Act or the Cannabis Act, if applicable;

(15) goods from Canada outside Québec to the supply of which paragraph 3.1 of section 178 applies; and

(16) an in vitro embryo, as defined in section 3 of the Assisted Human Reproduction Act (S.C. 2004, c. 2).

1991, c. 67, s. 81; 1993, c. 19, s. 183; 1994, c. 22, s. 410; 1995, c. 1, s. 267; 1995, c. 63, s. 342; 1997, c. 85, s. 467; 2001, c. 51, s. 265; 2001, c. 53, s. 288; 2003, c. 2, s. 312; 2009, c. 5, s. 603; 2012, c. 28, s. 52; 2015, c. 21, s. 641; 2017, c. 29, s. 248; 2019, c. 14, s. 540; 2021, c. 14, s. 223; 2021, c. 36, s. 189; 2025, c. 27, s. 162.

## DIVISION V

### SPECIFIC RULES RESPECTING TIME OF TAXATION

**82.** Tax under section 16 in respect of a taxable supply is payable by the recipient on the earlier of the day the consideration for the supply is paid and the day the consideration for the supply becomes due.

1991, c. 67, s. 82.

**82.1.** Notwithstanding section 82, tax under section 16 in respect of a supply referred to in section 20.1 is payable at the time the supply is made.

1993, c. 19, s. 184.

**82.2.** Notwithstanding section 82, tax under section 16 in respect of the supply of a motor vehicle by way of retail sale, other than a supply under section 20.1, is payable at the time of the registration of the vehicle under the Highway Safety Code (chapter C-24.2) following an application by the recipient of the supply.

Notwithstanding the first paragraph, tax is payable at the time the motor vehicle is delivered to the recipient if the vehicle is not registered within 15 days after that time.

2001, c. 51, s. 266.

**83.** The consideration, or a part thereof, for a taxable supply is deemed to become due on the earliest of

(1) the earlier of the day the supplier first issues an invoice in respect of the supply for that consideration or part and the date of that invoice,

(2) the day the supplier would, but for an undue delay, have issued an invoice in respect of the supply for that consideration or part, and

(3) the day the recipient is required to pay that consideration or part to the supplier pursuant to an agreement in writing.



Notwithstanding the first paragraph, where property is supplied by way of lease, licence or similar arrangement under an agreement in writing, the consideration, or any part thereof, for the supply is deemed to become due on the day the recipient is required to pay the consideration or part to the supplier pursuant to the agreement.

1991, c. 67, s. 83.

**84.** Where consideration that is not money is given or required to be given, the consideration that is given or required to be given is deemed to be paid or required to be paid, as the case may be.

1991, c. 67, s. 84.

**85.** Notwithstanding section 82, where consideration for a taxable supply is paid or becomes due on more than one day, tax under section 16 in respect of the supply is payable on each day that is the earlier of the day a part of the consideration is paid and the day that part becomes due.

The tax that is payable on each such day shall be calculated on the value of the part of the consideration that is paid or becomes due, as the case may be, on that day.

1991, c. 67, s. 85.

**86.** Notwithstanding sections 82 and 85, where all or any part of the consideration for a taxable supply has not been paid or become due on or before the last day of the calendar month immediately following the first calendar month in which,

(1) where the supply is of corporeal movable property by way of sale, other than a supply described in paragraph 2 or 3, the ownership or possession of the property is transferred to the recipient,

(2) where the supply is of corporeal movable property by way of sale under which the supplier delivers the property to the recipient on approval, consignment, or other similar terms, the recipient acquires ownership of the property or makes a supply of it to any person, other than the supplier, or

(3) where the supply is under an agreement in writing for the construction, renovation or alteration of, or repair to any immovable or any ship or other marine vessel, and it may reasonably be expected that the construction, renovation, alteration or repair will require more than three months to complete, the construction, renovation, alteration or repair is substantially completed,

tax under section 16 in respect of the supply, calculated on the value of that consideration or part, as the case may be, is payable on that day.

1991, c. 67, s. 86; 1995, c. 63, s. 343.

**87.** Section 86 does not apply in respect of a supply of water, electricity, natural gas, steam or any other property where the property is delivered to the recipient on a continuous basis by means of a wire, pipeline or other conduit and the supplier invoices the recipient in respect of that supply on a regular or periodic basis.

1991, c. 67, s. 87.

**88.** Tax under section 16 in respect of a taxable supply of immovable property by way of sale is payable on the earlier of the day ownership of the property is transferred to the recipient and the day possession of the property is transferred to the recipient under the agreement for the supply.

Notwithstanding the first paragraph, in the case of a supply of a residential unit held in co-ownership, where possession of the unit is transferred, after 30 June 1992 and before the declaration of co-ownership relating to the complex in which the unit is situated is entered in the land register, to the recipient under the agreement for the supply, the tax is payable on the earlier of the day ownership of the unit is transferred to the recipient and the day that is 60 days after the day the declaration of co-ownership is entered in the land register.

This section applies notwithstanding sections 82 and 85.

1991, c. 67, s. 88; 1997, c. 3, s. 135.

**89.** Where under section 86 or 88 tax is payable on a particular day and the value of the consideration, or any part thereof, for the taxable supply is not ascertainable on that day,

(1) tax calculated on the value of the consideration or part, as the case may be, that is ascertainable on that day is payable on that day; and

(2) tax calculated on the value of the consideration or part, as the case may be, that is not ascertainable on that day is payable on the day the value becomes ascertainable.

1991, c. 67, s. 89.

**90.** Notwithstanding sections 82, 85, 86, 88 and 89, where the recipient of a taxable supply retains, pursuant to an Act of the Legislature of Québec, another province, the Northwest Territories, the Yukon Territory, Nunavut or of the Parliament of Canada, or pursuant to an agreement in writing for the construction, renovation or alteration of, or repair to, any immovable or any ship or other marine vessel, a part of the consideration for the supply pending full and satisfactory performance of the supply, or any part thereof, tax under section 16 calculated on the value of that part of the consideration, is payable on the earlier of the day that part is paid and the day it becomes payable.

1991, c. 67, s. 90; 2003, c. 2, s. 313.

**91.** For the purposes of sections 82, 82.2, 85 to 90 and 92, where a supply of any combination of service, movable property or immovable property (each of which is in this section referred to as an “element”) is made and the consideration for each element is not separately identified,

(1) where the value of a particular element can reasonably be regarded as exceeding the value of each of the other elements, the supply of all of the elements is deemed to be a supply only of the particular element; and

(2) in any other case, the supply of all of the elements is deemed, where one of the elements is immovable property, to be a supply only of immovable property, and in any other case, to be a supply only of a service.

1991, c. 67, s. 91; 2001, c. 51, s. 267.

**92.** For the purposes of sections 82, 82.2 and 85 to 91, a deposit, whether refundable or not, given in respect of a supply shall not be considered as consideration paid for the supply unless and until the supplier applies the deposit as consideration for the supply.

This section does not apply in respect of a deposit relating to a covering or container to which section 33 applies.

1991, c. 67, s. 92; 2001, c. 51, s. 268.

## CHAPTER III

### EXEMPT SUPPLY

#### DIVISION I

##### IMMOVABLE

**93.** *(Repealed).*

1991, c. 67, s. 93; 1997, c. 85, s. 468.

**94.** A supply by way of sale of a residential complex or an interest in a residential complex made by a person who is not a builder of the complex or, if the residential complex is a multiple unit residential complex, an addition to the complex, is exempt, unless

(1) the person claimed an input tax refund in respect of the last acquisition by the person of the residential complex or in respect of an improvement to the complex acquired or brought into Québec by the person after the complex was last acquired by the person; or

(2) the recipient is registered under Division I of Chapter VIII and

(a) the recipient made a taxable supply by way of sale (in this section referred to as the “prior supply”) of the residential complex or interest in that complex to a prior recipient who is the person or, if the person is a personal trust other than a testamentary trust, the settlor of the trust or, in the case of a testamentary trust that arose as a result of the death of an individual, the deceased individual,

(b) the prior supply is the last supply by way of sale of the residential complex or interest to the prior recipient,

(c) the supply is not made more than one year after the day that is the day on which the prior recipient acquired the interest, or that is the earlier of the day on which the prior recipient acquired ownership of the residential complex and the day on which the prior recipient acquired possession of the complex, under the agreement for the prior supply,

(d) the residential complex has not been occupied as a place of residence or lodging after the construction or last substantial renovation of the complex was substantially completed,

(e) the supply is made pursuant to a right or obligation of the recipient to purchase the residential complex or interest that is provided for under the agreement for the prior supply, and

(f) the recipient makes an election under this section jointly with the person in prescribed form containing prescribed information that is filed with the Minister with the recipient’s return in which the recipient is required to report the tax in respect of the supply.

1991, c. 67, s. 94; 1994, c. 22, s. 411; 2003, c. 2, s. 314.

**95.** A supply by way of sale of a residential complex or an interest therein made by an individual who is a builder of the complex or, where the complex is a multiple unit residential complex, an addition thereto is exempt, if

(1) at any time after the construction or substantial renovation of the complex or addition is substantially completed, the complex is used primarily as a place of residence of the individual, an individual related to the individual or a former spouse of the individual; and

(2) the complex is not used primarily for any other purpose after the construction or substantial renovation is substantially completed and before that time.

The first paragraph does not apply if the individual claimed an input tax refund in respect of the last acquisition by the individual of the immovable included in the residential complex or in respect of the acquisition or bringing into Québec by the individual, after the immovable was last acquired by the individual, of an improvement to the immovable.

1991, c. 67, s. 95; 1994, c. 22, s. 411.

**96.** A supply by way of sale of a single unit residential complex (in this section referred to as the “complex”) or a residential unit held in co-ownership (in this section referred to as the “unit”) or an interest in the complex or unit made by a builder of the complex or unit is exempt where,

(1) in the case of a unit situated in a residential complex (in this section referred to as the “premises”) that was converted by the builder from use as a multiple unit residential complex to use as a complex held in co-ownership, the builder received an exempt supply of the premises by way of sale or was deemed under section 225 to have received a taxable supply of the premises by way of sale, and that supply was the last supply of the premises made by way of sale to the builder; or

(2) in any case, the builder received an exempt supply of the complex or unit by way of sale or was deemed under section 223 or 224 to have received a taxable supply of the complex or unit by way of sale, and that supply was the last supply of the complex or unit made by way of sale to the builder.

The first paragraph does not apply if,

(1) after the complex, unit or premises were last acquired by the builder, the builder carried on, or engaged another person to carry on for the builder, the substantial renovation of the complex, unit or premises; or

(2) the builder claimed an input tax refund in respect of the last acquisition by the builder of the complex, unit or premises or in respect of the acquisition or bringing into Québec by the builder, after the complex, unit or premises were last acquired by the builder, of an improvement to the complex, unit or premises.

1991, c. 67, s. 96; 1994, c. 22, s. 411.

**97.** A supply by way of sale of a multiple unit residential complex or an interest therein made by a person who is a builder of the complex or an addition thereto is exempt where

(1) in the case of a person who is a builder of the complex, the person received an exempt supply of the complex by way of sale, or was deemed under section 225 to have received a taxable supply of the complex by way of sale, and that supply was the last supply of the complex made by way of sale to the person; and

(2) in the case of a person who is a builder of an addition to the complex, the person received an exempt supply of the addition by way of sale, or was deemed under section 226 to have received a taxable supply of the addition by way of sale, and that supply was the last supply of the addition made by way of sale to the person.

The first paragraph does not apply if,

(1) after the complex was last supplied to the person, the person carried on, or engaged another person to carry on for the person, the substantial renovation of the complex; or

(2) the person claimed an input tax refund in respect of the last acquisition by the person of the complex or an addition thereto or in respect of the acquisition or bringing into Québec by the person, after the complex was last acquired by the person, of an improvement to the complex, other than an input tax refund in respect of the construction of an addition to the complex.

1991, c. 67, s. 97; 1994, c. 22, s. 411.

**97.1.** A supply by way of sale of a building, or that part of a building, in which one or more residential units are located, or an interest in such a building or part, is exempt where

(1) both immediately before and immediately after the earlier of the time ownership of the building, part or interest is transferred to the recipient of the supply (in this section referred to as the “purchaser”) and the time possession thereof is transferred to the purchaser under the agreement for the supply, the building or part forms part of a residential complex; and

(2) immediately after the earlier of the time ownership of the building, part or interest is transferred to the purchaser and the time possession thereof is transferred to the purchaser under the agreement for the supply, the purchaser is a recipient described in subparagraph *a* of subparagraph 1 of the first paragraph of section

100 of an exempt supply, described by subparagraph 1 of the first paragraph of that section, of the land included in the complex.

1994, c. 22, s. 412.

**97.2.** A supply by way of sale of land that forms part of a residential complex or an interest in such land is exempt where

(1) immediately before the earlier of the time ownership thereof is transferred to the recipient of the supply and the time possession thereof is transferred to the recipient of the supply under the agreement for the supply, the land is subject to a lease, licence or similar arrangement by which a supply that is an exempt supply described by subparagraph 1 of the first paragraph of section 100 was made; and

(2) if a supply by way of sale were made of the residential complex immediately before that earlier time, the supply would be an exempt supply described in any of sections 94 to 97.

1994, c. 22, s. 412.

**97.3.** A supply of a residential trailer park or an interest therein made by a person is exempt where

(1) the person received an exempt supply, described by this section, of the park or was deemed under section 222.2, 243, 258 or 261 to have received a taxable supply of the land included in the park as a consequence of using the land for purposes of the park, and that supply was the last supply of the park made by way of sale to the person; and

(2) if the person increased the area of land included in the park (in this section referred to as the “additional area”), the person received an exempt supply, described by this section, of the additional area or was deemed under section 222.3, 243, 258 or 261 to have made a taxable supply of the additional area as a consequence of using the additional area for purposes of the park, and that supply was the last supply of the additional area made by way of sale to the person.

The first paragraph does not apply if the person claimed an input tax refund in respect of the last acquisition by the person of the park or an additional area thereof or in respect of the acquisition or bringing into Québec by the person, after the park was last acquired by the person, of an improvement to the park, other than an input tax refund in respect of an improvement to an additional area that was acquired or brought into Québec by the person before the additional area was last acquired by the person.

1994, c. 22, s. 412.

**98.** A supply is exempt where the supply is

(1) of a residential complex or a residential unit in a residential complex by way of lease, licence or similar arrangement for the purpose of its occupation as a place of residence or lodging by an individual, where the period throughout which continuous occupation of the complex or unit is given to the same individual under the arrangement is at least one month; or

(2) of a residential unit by way of lease, licence or similar arrangement for the purpose of its occupation as a place of residence or lodging by an individual, where the consideration for the supply does not exceed \$20 for each day of occupation.

1991, c. 67, s. 98; 1994, c. 22, s. 413; 1997, c. 85, s. 469.

**99.** A supply of property is exempt if the property is land, a building, or the part of a building, that consists solely of residential units, and the supply is made by way of lease, licence or similar arrangement to a recipient (in this section referred to as the “lessee”) for a lease interval (within the meaning assigned by section 32.2) throughout which the lessee or a sub-lessee makes, or holds the property for the purpose of making, one or more supplies of the property, parts of the property or leases, licences or similar arrangements in respect of the property or parts of it and all or substantially all of those supplies are

(1) exempt supplies described by section 98 or 100; or

(2) supplies that are made, or are reasonably expected to be made, to other lessees or sub-lessees described in this section.

1991, c. 67, s. 99; 1994, c. 22, s. 413; 1997, c. 85, s. 470; 2001, c. 53, s. 289; 2009, c. 15, s. 486.

**99.0.1.** A supply made by way of lease, licence or similar arrangement of property is exempt if the property is a residential complex or is land, a building or the part of a building, that forms or is reasonably expected to form part of a residential complex, and if the supply is made to a recipient (in this section referred to as the “lessee”) for a lease interval (within the meaning assigned by section 32.2) throughout which all or substantially all of the property is

(1) supplied, or is held for the purpose of being supplied, in one or more supplies, by the lessee or a sub-lessee for the purpose of the occupancy of the property or parts of the property by individuals as a place of residence or lodging and all or substantially all of the supplies of the property or parts of the property are exempt supplies described in section 98; or

(2) used, or held for the purpose of being used, by the lessee or a sub-lessee in the course of making exempt supplies and, as part of one or more exempt supplies, possession or use of all or substantially all of the residential units situated in the property is given under a lease, licence or similar arrangement for the purpose of their occupancy by an individual as a place of residence.

2009, c. 15, s. 487.

**99.1.** A supply of meals made by a person who is making a supply, described by paragraph 1 of section 98, of a residential complex or unit is exempt where the meals are provided, to the occupant of the complex or unit, in the complex or unit or in the residential complex in which the unit is located under an arrangement whereby at least 10 meals per week are supplied for a single consideration determined before any meal is provided under the arrangement.

1994, c. 22, s. 414.

**100.** A supply is exempt where the supply is

(1) of land, other than a site in a residential trailer park, by way of lease, licence or similar arrangement under which continuous possession or occupation of the land is provided for a period of at least one month, made to

(a) the owner, lessee or person in occupation or possession of a residential unit that is or is to be affixed to the land for the purpose of its use and enjoyment as a place of residence for individuals, or

(b) a person who is acquiring possession of the land for the purpose of constructing a residential complex on it in the course of a commercial activity;

(2) of a site in a residential trailer park, by way of lease, licence or similar arrangement under which continuous possession or occupation of the site is provided for a period of at least one month, made to the owner, lessee or person in occupation or possession of

(a) a mobile home situated or to be situated on the site, or

(b) a travel trailer, motor home or similar vehicle or trailer situated or to be situated on the site; or

(3) of a lease, licence or similar arrangement referred to in subparagraph 1 or 2 by way of assignment.

The first paragraph does not apply to a supply of land on which the residential unit, mobile home, travel trailer, motor home or similar vehicle or trailer is or is to be affixed or situated, or any land contiguous to it,

that is not reasonably necessary for the use and enjoyment of the unit, home, vehicle or trailer as a place of residence for individuals.

1991, c. 67, s. 100; 1994, c. 22, s. 415; 1997, c. 85, s. 471.

**101.** A supply by way of sale of a parking space that is the subject of a declaration of co-ownership entered in the land register made by a supplier to a person is exempt if

(1) the supplier, at the same time or as part of the same supply, makes a supply, included in any of sections 94 to 96, by way of sale to the person of a residential unit held in co-ownership described by that declaration; and

(2) the space was, at any time, supplied to the supplier by way of sale and the supplier did not, after that time, claim an input tax refund in respect of an improvement to the space.

1991, c. 67, s. 101; 1994, c. 22, s. 415; 1997, c. 85, s. 472; 2001, c. 53, s. 290.

**101.1.** A supply of a parking space by way of lease, licence or similar arrangement under which any such space is made available throughout a period of at least one month, is exempt where the supply is

(1) made to a person (in this paragraph referred to as an “occupier”) who is a lessee or person in occupation or possession of a single unit residential complex, a residential unit in a multiple unit residential complex or a site in a residential trailer park where

(a) the space forms part of the residential complex or residential trailer park, as the case may be, or

(b) the supplier of the space is an owner or occupier of the single unit residential complex, residential unit or site, as the case may be, and the use of the space is incidental to the use and enjoyment of the complex, unit or site, as the case may be, as a place of residence for individuals;

(2) made to the owner, lessee or person in occupation or possession of a residential unit held in co-ownership described by a declaration of co-ownership entered in the land register if the space is the subject of that declaration; or

(3) made by a supplier to the owner, lessee or person in occupation or possession of a floating home where the home is moored to mooring facilities or a wharf under an agreement with the supplier for a supply that is an exempt supply described in section 106.2 and the use of the space is incidental to the use and enjoyment of the home as a place of residence for individuals.

1994, c. 22, s. 416; 1997, c. 85, s. 473; 2001, c. 53, s. 291.

**101.1.1.** For the purposes of section 102, “settlor”, in relation to a testamentary trust constituted by reason of the death of an individual, means that individual.

1997, c. 85, s. 474.

**102.** A supply of an immovable by way of sale made by an individual or a personal trust is exempt, except where the supply is

(1) a supply of an immovable that is, immediately before the time ownership or possession of the property is transferred to the recipient of the supply under the agreement for the supply, capital property used primarily

(a) in a business carried on by the individual or trust with a reasonable expectation of profit, or

(b) where the individual or trust is a registrant,

i. in making a taxable supply of the immovable by way of lease, licence or similar arrangement, or

ii. in any combination of the uses described in subparagraph *a* and subparagraph *i*;

(2) a supply of an immovable made

(a) in the course of a business of the individual or trust, or

(b) in the course of an adventure or concern in the nature of trade of the individual or trust, where the individual or trust has filed an election with and as prescribed by the Minister for that purpose in prescribed form containing prescribed information;

(2.1) a supply of a part of a parcel of land, which parcel the individual, trust or settlor of a testamentary trust subdivided or severed into parts, except where

(a) the parcel was subdivided or severed into two parts and the individual, trust or settlor of a testamentary trust did not subdivide or sever that parcel from another parcel of land, or

(b) the recipient of the supply is an individual who is related to, or is a former spouse of, the individual or settlor of a testamentary trust and is acquiring the part for the personal use and enjoyment of the recipient;

(3) a supply deemed under any of sections 256 to 262 to have been made;

(4) a supply of a residential complex or an interest in a residential complex; or

(5) a particular supply to a recipient who is registered under Division I of Chapter VIII and who has made an election under this subparagraph jointly with the individual or trust in prescribed form containing prescribed information and filed with the Minister with the recipient's return in which the recipient is required to report the tax in respect of the supply, if

(a) the recipient made a taxable supply by way of sale (in this section referred to as the "prior supply") of the immovable to a person (in this section referred to as the "prior recipient") who is the individual, trust or settlor of the trust and that supply is the last supply by way of sale of the immovable to the prior recipient,

(b) the day the particular supply is made is not more than one year after the particular day that is the earlier of the day on which, under the agreement for the prior supply, the prior recipient acquired ownership of the immovable and the day the prior recipient acquired possession of the immovable, and

(c) the particular supply is made pursuant to a right or obligation of the recipient to purchase the immovable that is provided for under the agreement for the prior supply.

For the purposes of subparagraph 2.1 of the first paragraph, a part of a parcel of land that the individual, trust or settlor of a testamentary trust supplies to a person who has the right to acquire it by expropriation, and the remainder of that parcel, are deemed not to have been subdivided or severed from each other by the individual, trust or settlor of a testamentary trust, as the case may be.

1991, c. 67, s. 102; 1994, c. 22, s. 417; 1997, c. 85, s. 475; 2003, c. 2, s. 315.

**103.** A supply of farmland by way of sale made by an individual to another individual who is related to or who is a former spouse of the individual, is exempt where

(1) the farmland was used at any time by the individual in a commercial activity that is the business of farming;

(2) the farmland was not used, immediately before the time ownership of the property is transferred under the supply, by the individual in a commercial activity other than the business of farming; and



(3) the other individual is acquiring the farmland for the personal use and enjoyment of the other individual or any individual related thereto.

1991, c. 67, s. 103.

**104.** A supply by an individual of farmland, deemed under section 221 or 261 to have been made, is exempt where

(1) the farmland was used at any time by the individual in a commercial activity that is the business of farming;

(2) the farmland was not used, immediately before the supply is deemed to have been made, by the individual in a commercial activity other than the business of farming; and

(3) the farmland, immediately after the time the supply is deemed to have been made, is for the personal use and enjoyment of the individual or of an individual related to him.

1991, c. 67, s. 104.

**105.** A supply of farmland by way of sale made by a person that is a partnership, trust or corporation to a particular individual, an individual related to or a former spouse of the particular individual, is exempt where

(1) immediately before the time ownership of the property is transferred under the supply,

(a) all or substantially all of the property of the person is used in a commercial activity that is the business of farming;

(b) the particular individual is a member of the partnership, a beneficiary of the trust or a shareholder of or related to the corporation, as the case may be; and

(c) the particular individual, the spouse of the particular individual or a child, within the meaning of paragraph *d* of section 451 of the Taxation Act (chapter I-3), of the particular individual is actively engaged in the business of the person; and

(2) immediately after the time ownership of the property is transferred under the supply, the farmland is for the personal use and enjoyment of the individual to whom the supply was made or of an individual related thereto.

1991, c. 67, s. 105.

**106.** A supply of property or a service, made by a corporation or syndicate established upon the registration in the land register of a declaration of co-ownership, to the owner or lessee of a residential unit held in co-ownership described by that declaration, is exempt if the property or service relates to the occupancy or use of the unit.

1991, c. 67, s. 106; 2001, c. 53, s. 292.

**106.1.** A supply of property or a service made by a cooperative housing corporation to a person who, because the person is a shareholder of the corporation or a lessee or sub-lessee of a shareholder of the corporation, is entitled to occupy or use a residential unit in a residential complex administered or owned by the corporation, where the supply relates to the occupation or use of a residential unit in the complex, is exempt.

1994, c. 22, s. 418.

**106.2.** A supply, made to a person who is the owner, lessee or person in occupation or possession of a floating home, of a right to use mooring facilities or a wharf for a period of at least one month in connection with the use and enjoyment of the home as a place of residence for individuals, is exempt.

1994, c. 22, s. 418.

**106.3.** A supply to a consumer of the right to use a washing machine or clothes-dryer that is located in a common area of a residential complex is exempt.

1997, c. 85, s. 476.

**106.4.** A supply by way of lease, licence or similar arrangement of that part of the common area of a residential complex that is used as a laundry, made to a person who so acquires the property for use in the course of making supplies described in section 106.3, is exempt.

1997, c. 85, s. 476.

**107.** For the purposes of sections 96, 97, 97.2 and 97.3, sections 222.2, 222.3 and 223 to 231.1 are deemed to have been in force at all times.

1991, c. 67, s. 107; 1994, c. 22, s. 419.

## **DIVISION II**

### **HEALTH CARE SERVICE**

**108.** In this division,

“cosmetic service supply” means a supply of property or a service that is made for cosmetic purposes and not for medical or reconstructive purposes;

“health care institution” means

(1) a centre operated by an institution, within the meaning of the Act respecting the governance of the health and social services system (chapter G-1.021), the Act respecting health services and social services for the Inuit and Naskapi (chapter S-4.2) or the Act respecting health services and social services for Cree Native persons (chapter S-5), for the purpose of providing health or hospital care, acute or chronic care or rehabilitative care, or any other institution operated for the purpose of providing such care;

(1.1) a centre referred to in paragraph 1 that is primarily for persons with mental health problems, or any other institution primarily for persons with mental health problems;

(2) a facility, or part thereof, operated for the purpose of providing residents of the facility who have limited physical or mental capacity for self-supervision and self-care with

(a) nursing and personal care under the direction or supervision of qualified medical and nursing care staff or other personal and supervisory care, other than domestic services of an ordinary household nature, according to the individual requirements of the residents,

(b) assistance with the activities of daily living and social, recreational and other related services to meet the psycho-social needs of the residents, and

(c) meals and accommodation;

“home care service” means a household or personal care service, such as bathing, feeding, assistance with dressing or medication, cleaning, laundering, meal preparation and child care, if the service is rendered to an individual who, due to age, infirmity or disability, requires assistance;

“institutional health care service” means any of the following when provided in a health care institution:

(1) a laboratory, radiological or other diagnostic service;

(2) a medication, biological substance or related preparation when administered, or a medical or surgical prosthesis when installed, in the facility in conjunction with the supply of a service or property included in any of paragraphs 1 and 3 to 7;

(3) the use of an operating room, case room or anaesthetic facilities, including necessary equipment or supplies;

(4) medical or surgical equipment or supplies

(a) used by the operator of the institution in providing a service included in any of paragraphs 1 to 3 and 5 to 7, or

(b) supplied to a patient or resident of the institution otherwise than by way of sale;

(5) the use of occupational therapy, physiotherapy or radiotherapy facilities;

(6) lodging;

(7) a meal other than one served in a restaurant, cafeteria or similar place where meals are served;

(8) a service rendered by a person remunerated for that purpose by the operator of the institution;

“medical practitioner” means a physician within the meaning of the Medical Act (chapter M-9) or a dentist within the meaning of the Dental Act (chapter D-3) and includes a person who is entitled under the laws of another province, the Northwest Territories, the Yukon Territory or Nunavut to practise the profession of medicine or dentistry;

“practitioner” means a person who practices the profession of acupuncture, audiology, chiropody, chiropractic, counselling therapy, dietetics, midwifery, naturopathy as a naturopathic doctor, occupational therapy, optometry, osteopathy, physiotherapy, podiatry, psychology, psychotherapy or speech-language pathology in Québec and who

(1) where the person is required to be licensed or otherwise authorized to practise that profession in Québec, is so licensed or otherwise authorized;

(2) where the person is not required to be so licensed or otherwise authorized, has qualifications equivalent to those necessary to be licensed or otherwise authorized to practise in another province, the Northwest Territories, the Yukon Territory or Nunavut;

(3) *(paragraph repealed)*;

“qualifying health care supply” means a supply of a property or service that is made for the purpose of

(1) maintaining health;

(2) preventing disease;

(3) treating, relieving or remediating an injury, illness, disorder or disability;

(4) assisting (otherwise than financially) an individual in coping with an injury, illness, disorder or disability; or

(5) providing palliative health care.

1991, c. 67, s. 108; 1992, c. 21, s. 373, s. 375; 1994, c. 22, s. 420; 1995, c. 1, s. 270; 1994, c. 23, s. 23; 1995, c. 63, s. 344; 1997, c. 85, s. 477; 2001, c. 53, s. 293; 2003, c. 2, s. 316; 2005, c. 1, s. 351; 2009, c. 5, s. 604; 2011, c. 6, s. 240; 2015, c. 21, s. 642; 2015, c. 24, s. 169; 2023, c. 34, s. 1427; 2025, c. 27, s. 163.

**108.1.** For the purposes of this division, other than section 116, a cosmetic service supply and a supply, in respect of a cosmetic service supply, that is not made for medical or reconstructive purposes are deemed not to be included in this division.

2011, c. 6, s. 241.

**108.2.** For the purposes of this division, other than sections 116 and 118 to 119.2, a supply that is not a qualifying health care supply is deemed not to be included in this division.

2015, c. 21, s. 643.

**109.** A supply of an institutional health care service made by the operator of a health care institution, when rendered to a patient or resident, is exempt.

1991, c. 67, s. 109; 1992, c. 21, s. 375; 2001, c. 53, s. 294; 2011, c. 6, s. 242.

**110.** A supply by way of lease of medical equipment or supplies, made by the operator of a health care institution to a consumer on the written order of a medical practitioner, is exempt.

1991, c. 67, s. 110; 1992, c. 21, s. 375; 2009, c. 15, s. 488.

**111.** A supply of an ambulance service made by a person who carries on the business of supplying ambulance services is exempt.

However, such a supply does not include a supply of an air ambulance service referred to in section 197.1.

1991, c. 67, s. 111; 1997, c. 85, s. 478.

**112.** A supply of a consultative, diagnostic, treatment or other health care service that is rendered by a medical practitioner to an individual is exempt.

1991, c. 67, s. 112; 2007, c. 12, s. 319; 2009, c. 15, s. 489; 2011, c. 6, s. 243.

**113.** A supply of a nursing service rendered to an individual by a nurse or a nursing assistant is exempt if the service is rendered within a nurse-patient relationship.

1991, c. 67, s. 113; 1992, c. 21, s. 375; 1997, c. 85, s. 479; 2009, c. 15, s. 490.

**114.** A supply of an acupuncture, audiological, chiropodic, chiropractic, counselling therapy, midwifery, naturopathic, occupational therapy, optometric, osteopathic, physiotherapy, podiatric, psychological, psychotherapy or speech-language pathology service is exempt if the service is rendered to an individual by a practitioner of the service.

1991, c. 67, s. 114; 1997, c. 85, s. 480; 2001, c. 53, s. 295; 2009, c. 5, s. 605; 2009, c. 15, s. 491; 2015, c. 24, s. 170; 2025, c. 27, s. 164.

**114.1.** A supply of a dietetic service rendered by a practitioner of the service is exempt if

- (1) the service is rendered to an individual;
- (2) the supply is made to a public sector body; or
- (3) the supply is made to the operator of a health care institution.

1997, c. 85, s. 481; 2009, c. 15, s. 492.

**114.2.** A supply of a service rendered in the practise of the profession of social work is exempt in the case where

- (1) the service is rendered to an individual within a professional-client relationship between the particular individual who renders the service and the individual and is provided for the prevention, assessment or remediation of, or to assist the individual in coping with, a physical, emotional, behavioural or mental disorder or disability of the individual or of another individual to whom the individual is related or to whom the individual provides care or supervision otherwise than in a professional capacity; and

(2) the particular individual is licensed or otherwise certified to practise the profession of social work in Québec.

2009, c. 5, s. 606; 2009, c. 15, s. 493.

**114.3.** A supply of a service (other than a service described in paragraph 3 of section 174) rendered in the practice of the profession of pharmacy by a particular individual is exempt if

(1) the service is rendered by the particular individual within a pharmacist-patient relationship between the particular individual and another individual and is provided for the promotion of the health of the other individual or for the prevention or treatment of a disease, disorder or dysfunction of the other individual; and

(2) the particular individual is entitled under the laws of Québec, another province, the Northwest Territories, the Yukon Territory or Nunavut to practise the profession of pharmacy.

2015, c. 21, s. 644.

**114.4.** A supply of a service is exempt if all or substantially all of the consideration for the supply is reasonably attributable to two or more particular services, each of which meets the following conditions:

(1) the particular service is rendered in the course of making the supply; and

(2) a supply of the particular service would be a supply referred to in any of sections 112 to 114.3, if the particular service were supplied separately.

2021, c. 14, s. 224.

**115.** A supply of a dental hygienist service is exempt.

1991, c. 67, s. 115.

**116.** A supply, other than a zero-rated supply, of any property or service is exempt to the extent that the consideration for the supply is payable or reimbursed by the Gouvernement du Québec pursuant to the Health Insurance Act (chapter A-29) or the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5) or by the government of another province, the Northwest Territories, the Yukon Territory or Nunavut under a health care plan established for the insured persons of that province or territory under an Act of the legislature of that province or territory.

1991, c. 67, s. 116; 1995, c. 1, s. 271; 1999, c. 89, s. 53; 2003, c. 2, s. 317.

**117.** A supply of a diagnostic, treatment or other health care service rendered to an individual is exempt if the service is a prescribed service and the supply is made on the order of

(1) a medical practitioner or a practitioner;

(2) a nurse authorized under the laws of Québec, another province, the Northwest Territories, the Yukon Territory or Nunavut to order such a service if the order is made within a nurse-patient relationship; or

(3) a person who is authorized under the laws of Québec, another province, the Northwest Territories, the Yukon Territory or Nunavut to practise the profession of pharmacy and to order such a service, if the order is made within a pharmacist-patient relationship.

1991, c. 67, s. 117; 2009, c. 15, s. 494; 2015, c. 21, s. 645.

**118.** A supply of food and beverages, including the services of a caterer, made to an operator of a health care institution under a contract to provide on a regular basis meals for the patients or residents of the institution is exempt.

1991, c. 67, s. 118; 1992, c. 21, s. 375.

**119.** *(Repealed).*

1991, c. 67, s. 119; 1997, c. 85, s. 482.

**119.1.** A supply of a home care service that is rendered to an individual in the individual's place of residence, whether the recipient of the supply is the individual or any other person, is exempt where

- (1) the supplier is a government;
- (2) the supplier is a municipality;
- (3) a government, municipality or organization administering a government or municipal program in respect of home care services pays an amount
  - (a) to the supplier in respect of the supply, or
  - (b) to any person for the purpose of the acquisition of the service; or
- (4) another supply of a home care service rendered to the individual is made in the circumstances described in paragraph 1, 2 or 3.

1994, c. 22, s. 421; 1995, c. 1, s. 272; 2015, c. 21, s. 646.

**119.2.** A supply (other than a zero-rated supply or a prescribed supply) of a training service or of a service of designing a training plan is exempt if

(1) the training is specially designed to assist individuals with a disorder or disability in coping with the effects of the disorder or disability or to alleviate or eliminate those effects and is given or, in the case of a service of designing a training plan, is to be given to a particular individual with the disorder or disability or to another individual who provides personal care or supervision to the particular individual otherwise than in a professional capacity; and

(2) any of the following conditions is met:

(a) a person acting in the capacity of a practitioner, medical practitioner, social worker or nurse, and in the course of a professional-client relationship between the person and the particular individual, has certified in writing that the training is or, in the case of a service of designing a training plan, will be an appropriate means to assist the particular individual in coping with the effects of the disorder or disability or to alleviate or eliminate those effects,

(b) a prescribed person, or a member of a prescribed class of persons, has, subject to prescribed circumstances or conditions, certified in writing that the training is or, in the case of a service of designing a training plan, will be an appropriate means to assist the particular individual in coping with the effects of the disorder or disability or to alleviate or eliminate those effects, or

(c) the supplier

i. is a government,

ii. is paid an amount to make the supply by a government or organization administering a government program targeted at assisting individuals with a disorder or disability, or

iii. receives evidence satisfactory to the Minister that, for the purpose of the acquisition of the service, an amount has been paid or is payable to a person by a government or organization administering a government program targeted at assisting individuals with a disorder or disability.

For the purposes of this section, a training service or a service of designing a training plan does not include training that is similar to the training ordinarily given to individuals who

- (1) do not have a disorder or disability; and
- (2) do not provide personal care or supervision to an individual with a disorder or disability.

2009, c. 15, s. 495; 2015, c. 24, s. 171.

### **DIVISION III**

#### **EDUCATIONAL SERVICE**

**120.** In this division,

“elementary or secondary school student” means an individual who is enrolled for

- (1) educational services at the elementary level provided by a school authority;
- (2) educational services at the secondary level provided by a school authority or for services equivalent to such services;

“regulatory body” means a body constituted or empowered by an Act of the Legislature of Québec to regulate the practice of a profession or trade in Québec by setting standards of knowledge or proficiency for practitioners of a profession or trade;

“vocational school” means an institution established and operated primarily to provide students with correspondence courses, or instruction in courses, that develop or enhance students’ occupational skills.

1991, c. 67, s. 120; 1994, c. 22, s. 422; 1997, c. 85, s. 483.

**121.** A supply made by a school authority that consists in providing individuals with educational services primarily for elementary or secondary school students is exempt.

1991, c. 67, s. 121.

**122.** A supply of food, beverages, a service or an admission made by a school authority primarily to elementary or secondary school students during the course of an extra-curricular activity organized under the authority and responsibility of the school authority is exempt.

This section does not apply to food or beverages prescribed for the purposes of section 131 or food or beverages supplied through a vending machine.

1991, c. 67, s. 122; 1997, c. 85, s. 484.

**123.** A supply made by a school authority of a service performed by an elementary or secondary school student or by an instructor of an elementary or secondary school student in the course of the student’s program of studies is exempt.

1991, c. 67, s. 123.

**124.** A supply of a service of transporting elementary or secondary school students to or from a school of a school authority is exempt, if the supply is made by a school authority to a person who is not a school authority.

1991, c. 67, s. 124; 2002, c. 9, s. 161.

**125.** The following supplies, made by a professional association, public college, vocational school, government, regulatory body or university are exempt:

(1) a supply that consists in providing an individual with an educational service leading to, or for the purpose of maintaining or upgrading, a professional accreditation or professional title recognized by the regulatory body;

(2) a supply that consists in administering an examination or a supply of a certificate in respect of an educational service, a professional accreditation or a professional title referred to in subparagraph 1.

This section does not apply if the supplier has made an election under this section in prescribed form containing prescribed information.

1991, c. 67, s. 125; 1994, c. 22, s. 423.

**126.** A supply made by a school authority, public college or university that consists in providing an individual with, or administering an examination in respect of, an educational service for which credit may be obtained toward a diploma is exempt.

1991, c. 67, s. 126.

**126.1.** A supply of a service or membership the consideration for which is required to be paid by the recipient of a supply because the recipient receives the supply included in section 126 is exempt.

1994, c. 22, s. 424.

**127.** A supply, other than a zero-rated supply, made by a government, school authority, vocational school, public college or university that consists in providing an individual with, or administering an examination in respect of, an educational service leading to a certificate, diploma, permit or similar document, or a class or rating in respect of a licence or permit, that attests to the competence of an individual to practise a trade or vocation is exempt.

This section does not apply where the supplier has made an election under this section in prescribed form containing prescribed information.

1991, c. 67, s. 127; 1994, c. 22, s. 425; 1997, c. 85, s. 485; 2003, c. 2, s. 318.

**128.** The following supplies are exempt:

(1) a supply of an educational service that consists in instructing an individual in a course that either follows a program of studies at the elementary or secondary level established or approved by the Minister of Education, Recreation and Sports or is approved for credit at the elementary or secondary level by the Minister;

(2) a supply of an educational service that consists in instructing an individual in a course that is a prescribed equivalent of a course described in paragraph 1;

(3) a supply of an educational service that consists in instructing an individual in a prerequisite course the successful completion of which is mandatory for admittance into a course described in paragraph 1 or 2.

1991, c. 67, s. 128; 1993, c. 51, s. 72; 1994, c. 16, s. 50; 1994, c. 22, s. 425; 1999, c. 83, s. 310; 2005, c. 1, s. 352; 2005, c. 28, s. 195.

**129.** *(Repealed).*

1991, c. 67, s. 129; 1993, c. 51, s. 72; 1994, c. 16, s. 50; 1994, c. 22, s. 426.

**130.** A supply of an educational service that consists in instructing individuals in, or administering examinations in respect of, language courses that form part of a program of second-language instruction in either English or French is exempt, where the supply is made by a school authority, vocational school, public



college or university or in the course of a business established and operated primarily to provide instruction in languages.

1991, c. 67, s. 130; 2001, c. 53, s. 296.

**131.** A supply of food or beverages made in an elementary or secondary school cafeteria primarily to students of the school is exempt, except where the supply is for a reception, meeting, party or similar private event.

This section does not apply to prescribed food or beverages or food or beverages supplied through a vending machine.

1991, c. 67, s. 131.

**132.** A supply of a meal to a student enrolled at a university or public college is exempt where the meal is provided under a plan that is for a period of at least one month and under which the student purchases from the supplier for a single consideration only the right to receive at a restaurant or cafeteria at the university or college at least 10 meals weekly throughout the period.

1991, c. 67, s. 132; 1997, c. 85, s. 486.

**133.** A supply of food or beverages, including catering services, made to a school authority, public college or university under a contract to provide food or beverages either to students under a plan referred to in section 132 or in an elementary or secondary school cafeteria primarily to students of the school is exempt.

This section does not apply to the extent that the food, beverages or service are provided for a reception, conference or other special occasion or event.

1991, c. 67, s. 133.

**134.** A supply of movable property made by way of lease by a school authority to an elementary or secondary school student is exempt.

1991, c. 67, s. 134.

**135.** A supply made by a school authority, public college or university of an educational service that consists in instructing individuals in, or administering an examination in respect of, a course is exempt where the service is part of a program that consists of two or more courses and is subject to the review of, and is approved by, the school authority, college or university.

This section does not apply to courses in sports, games, hobbies or other recreational pursuits that are designed to be taken primarily for recreational purposes.

1991, c. 67, s. 135; 1994, c. 22, s. 427.

## **DIVISION IV**

### **CHILD AND PERSONAL CARE SERVICE**

**136.** A supply of a child care service, the primary purpose of which is to provide care and supervision to children 14 years of age or under for periods normally less than 24 hours per day is exempt.

However, the supply does not include a supply of a service of supervising an unaccompanied child made by a person in connection with a taxable supply by that person of a passenger transportation service.

1991, c. 67, s. 136; 2001, c. 53, s. 297.

**137.** A supply of a service of providing care and supervision and a place of residence for children or disabled or underprivileged individuals in an institution operated by the supplier for the purpose of providing such services is exempt.

1991, c. 67, s. 137; 1992, c. 21, s. 375; 1994, c. 22, s. 428.

**137.1.** A supply of a service of providing care and supervision to a person with limited physical or mental capacity for self-supervision and self-care due to an infirmity or disability is an exempt supply if the service is rendered primarily at an establishment of the supplier.

2001, c. 53, s. 298.

## **DIVISION V**

### **LEGAL AID SERVICE**

**138.** A supply of a professional legal aid service provided under a legal aid program authorized by the Gouvernement du Québec and made by a corporation responsible for administering legal aid under the Act respecting legal aid and the provision of certain other legal services (chapter A-14) is exempt.

1991, c. 67, s. 138; 2010, c. 12, s. 34.

## **DIVISION V.1**

### **CHARITIES**

1997, c. 85, s. 487.

**138.1.** A supply made by a charity of any property or service is exempt, except a supply of

(1) property or a service referred to in Chapter IV;

(2) property or a service, other than a supply that is deemed to have been made under section 60 or that is deemed only under section 32.2 or section 32.3 to have been made, where the supply is deemed under this Title to have been made by the charity;

(3) movable property, other than property that was acquired, manufactured or produced by the charity for the purpose of making a supply by way of sale of the property and property supplied by way of lease, licence or similar arrangement in conjunction with an exempt supply by way of lease, licence or similar arrangement by the charity of immovable property, where, immediately before the time tax would first become payable in respect of the supply if it were a taxable supply, that property is used, otherwise than in making the supply, in commercial activities of the charity or, in the case of capital property, primarily in such activities;

(4) corporeal movable property (other than property supplied by way of lease, licence or similar arrangement in conjunction with the exempt supply of an immovable by way of lease, licence or similar arrangement) that was acquired, manufactured or produced by the charity for the purpose of making a supply of the property and was neither donated to the charity nor used by another person before its acquisition by the charity, or any service supplied by the charity in respect of such property, other than such property or such a service supplied under a contract for catering;

(4.1) a specified service as defined in section 350.17.1 if the supply is made to a registrant at a time when a designation of the charity under sections 350.17.1 to 350.17.4 is in effect;

(5) an admission in respect of a place of amusement unless the maximum consideration for a supply by the charity of such an admission does not exceed one dollar;

(6) a service involving, or a membership or other right entitling a person to, instruction or supervision in any recreational or athletic activity except where

(a) it could reasonably be expected, given the nature of the activity or the degree of relevant skill or ability required for participation in it, that such services, memberships or rights supplied by the charity would be provided primarily to children 14 years of age or under and the services are not supplied as part of, membership is not in, or the right is not in respect of, a program involving overnight supervision throughout a substantial portion of the program, or

(b) such services, memberships or rights supplied by the charity are intended to be provided primarily to individuals who are underprivileged or who have a disability;

(7) a membership, other than a membership described in subparagraphs *a* and *b* of paragraph 6, where the membership

(a) entitles the member to an admission in respect of a place of amusement the supply of which, were it made separately from the supply of the membership, would be a taxable supply, or to a discount on the value of consideration for a supply of such an admission, except where the value of the admission or discount is insignificant in relation to the consideration for the membership, or

(b) includes a right to participate in a recreational or athletic activity, or use facilities, at a place of amusement, except where the value of the right is insignificant in relation to the consideration for the membership;

(8) services of performing artists in a performance where the supply is made to a person who makes taxable supplies of admissions in respect of the performance;

(9) a right, other than an admission, to play or participate in a game of chance where the charity is a prescribed person or the game is a prescribed game of chance;

(10) a residential complex, or an interest therein, where the supply is made by way of sale;

(11) an immovable where the supply is made by way of sale to an individual or a personal trust, other than a supply of an immovable on which is situated a structure that was used by the charity as an office or in the course of commercial activities or of making exempt supplies;

(12) an immovable where the supply is made by way of sale and, immediately before the time tax would first become payable in respect of the supply if it were a taxable supply, the immovable is used, otherwise than in making the supply, primarily in commercial activities of the charity;

(13) an immovable in respect of which an election under section 272 is in effect at the time tax would become payable in respect of the supply if it were a taxable supply;

(14) designated municipal property, if the charity is a person designated to be a municipality for the purposes of subdivision 5 of Division I of Chapter VII;

(15) a parking space if

(a) the supply is made for consideration by way of lease, licence or similar arrangement in the course of a business carried on by the charity;

(b) at the time the supply is made, it is reasonable to expect that the specified parking area (as defined in section 139) in relation to the supply will be used, during the calendar year in which the supply is made, primarily by individuals who are accessing a property of, or a facility or establishment operated by, a particular person that is a municipality, a school authority, a hospital authority, a public college or a university; and

(c) any of the following conditions is met:

i. under the governing documents of the charity, the charity is expected to use a significant part of its income or assets for the benefit of one or more of the particular persons referred to in subparagraph *b*,

ii. the charity and any particular person referred to in subparagraph *b* have entered into one or more agreements with each other or with other persons in respect of the use by the individuals referred to in that subparagraph of parking spaces in the specified parking area (as defined in section 139) in relation to the supply, or

iii. any particular person referred to in subparagraph *b* performs any function or activity in respect of supplies by the charity of parking spaces in the specified parking area (as defined in section 139) in relation to the supply; or

(16) a service rendered to an individual for the purpose of enhancing or otherwise altering the individual's physical appearance and not for medical or reconstructive purposes or a right entitling a person to such a service.

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1997, c. 85, s. 487; 2001, c. 53, s. 299; 2003, c. 2, s. 319; 2009, c. 5, s. 607; 2015, c. 21, s. 647; 2017, c. 29, s. 249.

**138.2.** A supply made by a charity of an admission to a fund-raising dinner, ball, concert, show or like fund-raising activity is exempt where part of the consideration for the supply may reasonably be regarded as an amount that is donated to charity and in respect of which a receipt referred to in section 712 or 752.0.10.3 of the Taxation Act (chapter I-3) may be issued or could be issued if the recipient of the supply were an individual.

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1997, c. 85, s. 487.

**138.3.** A supply by way of sale of movable property or a service made by a charity in the course of a fund-raising activity is exempt, but does not include

(1) a supply of any property or service where the charity makes supplies of such property or services in the course of that activity on a regular or continuous basis throughout the year or a significant portion of the year;

(2) a supply of any property or service where the agreement for the supply entitles the recipient to receive from the charity property or services on a regular or continuous basis throughout the year or a significant portion of the year;

(3) a supply of property or a service referred to in any of paragraphs 1 to 3 or 9 of section 138.1; or

(4) a supply of an admission in respect of a place of amusement at which the principal activity is the placing of bets or the playing of games of chance.

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1997, c. 85, s. 487.

**138.4.** A supply made by a charity of food or beverages to seniors, underprivileged individuals or individuals with a disability under a program established and operated for the purpose of providing prepared food to such individuals in their places of residence and any supply of food or beverages made to the charity for the purposes of the program are exempt.

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1997, c. 85, s. 487.

**138.5.** A supply made by a charity of any property or service is exempt if all or substantially all of the supplies of the property or service by the charity are made for no consideration, but not including a supply of

(1) blood or blood derivatives; or

(2) a parking space if the supply is made for consideration by way of lease, licence or similar arrangement in the course of a business carried on by the charity.

1997, c. 85, s. 487; 2015, c. 21, s. 648.

**138.6.** A supply by way of sale made by a charity to a recipient of corporeal movable property (other than capital property of the charity or, if the charity is a person designated to be a municipality for the purposes of subdivision 5 of Division I of Chapter VII, designated municipal property), or of a service purchased by the charity for the purpose of making a supply by way of sale of the service, is exempt if the total charge for the supply is equal to the usual charge by the charity for such supplies to such recipients and

(1) if the charity does not charge the recipient any amount as tax in respect of the supply, the total charge for the supply does not, and could not reasonably be expected to, exceed the direct cost of the supply; and

(2) if the charity charges the recipient an amount as tax in respect of the supply, the consideration for the supply does not, and could not reasonably be expected to, equal or exceed the direct cost of the supply determined without reference to tax imposed under Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15) and without reference to any tax that became payable under this Title at a time when the charity was a registrant.

1997, c. 85, s. 487; 2001, c. 53, s. 300; 2012, c. 28, s. 53; 2015, c. 21, s. 649.

**138.6.1.** A supply made by a charity of food, beverages or short-term accommodation is exempt if the supply is made in the course of an activity the purpose of which is to relieve poverty, suffering or distress of individuals and is not fund-raising.

2001, c. 53, s. 301.

**138.7.** A supply made by a charity of an admission in respect of a place of amusement at which the principal activity is the placing of bets or the playing of games of chance is exempt where

(1) the administrative function and the other functions performed in operating the game and taking the bets are performed exclusively by volunteers; and

(2) in the case of a bingo or casino, the game is not conducted in premises or at a place, including any temporary structure, that is used primarily for the purpose of conducting gambling activities.

1997, c. 85, s. 487.

**138.8.** A supply (other than a supply by way of sale) of a parking space in a parking lot made by a charity is exempt if

(1) at the time the supply is made, either

(a) all of the parking spaces in the specified parking area (as defined in section 139) in relation to the supply are reserved for use by individuals who are accessing a hospital centre, or

(b) it is reasonable to expect that the specified parking area (as defined in section 139) in relation to the supply will be used, during the calendar year in which the supply is made, primarily by individuals who are accessing a hospital centre;

(2) it is not the case that

(a) all or substantially all of the parking spaces in the specified parking area (as defined in section 139) in relation to the supply are reserved for use by persons other than individuals accessing a hospital centre otherwise than in a professional capacity,

(b) the supply or the amount of the consideration for the supply is conditional on the parking space being used by a person other than an individual accessing a hospital centre otherwise than in a professional capacity, or

(c) the agreement for the supply is entered into in advance and, under the terms of the agreement for the supply, use of a parking space in the specified parking area (as defined in section 139) in relation to the supply is made available for a total period of time that is more than 24 hours and the use is to be by a person other than an individual accessing a hospital centre otherwise than in a professional capacity; and

(3) no election made by the charity under section 272 is in effect, in respect of the property on which the parking space is situated, at the time tax under this Title would become payable in respect of the supply if it were a taxable supply.

2015, c. 21, s. 650.

## **DIVISION VI**

### **PUBLIC SECTOR BODY**

**139.** In this division,

“authorized party” means a party, including any regional or local association of the party, a candidate or a referendum committee governed by an Act of the Legislature of Québec or of the Parliament of Canada that imposes requirements relating to election finances or referendum expenses;

“designated activity” of an organization means an activity in respect of which the organization is designated to be a municipality for the purposes of section 165 or 166 or subdivision 5 of Division I of Chapter VII;

“designated body of the Gouvernement du Québec” means a body that is established by the Gouvernement du Québec and designated to be a municipality for the purposes of sections 383 to 397;

“local municipality” of a regional municipality means a municipality that has jurisdiction over an area that forms part of the territory of the regional municipality;

“municipal body” means a municipality or a designated body of the Gouvernement du Québec;

“municipal transit service” means either a public passenger transportation service supplied by a transit authority, other than a charter service or a service that is part of a tour, or a right that exclusively entitles an individual to use the service;

“para-municipal organization” of a municipal body means an organization, other than a government, of the municipal body and that

(1) where the municipal body is a municipality,

(a) is designated to be a municipality for the purposes of section 165 or 166 or subdivision 5 of Division I of Chapter VII, or

(b) is established by the municipal body and is a municipality by reason of paragraph 2 of the definition of “municipality” in section 1; or

(2) where the municipal body is a designated body of the Gouvernement du Québec, is a municipality by reason of paragraph 2 of the definition of “municipality” in section 1;

“public sector body” does not include a charity;

“public service body” does not include a charity;

“regional municipality” means a municipality that has general jurisdiction over the territory of more than one local municipality within the meaning of the Act respecting municipal territorial organization (chapter O-9);

“specified parking space” in relation to a supply of a parking space, means all of the parking spaces that could be chosen for use in parking under the agreement for the supply of the parking space if all of those parking spaces were vacant and none were reserved for specific users;

“transit authority” means an entity that meets the following conditions:

(1) the entity is

(a) a division, department, body or agency of a government, municipality or school authority, the primary purpose of which is to supply public passenger transportation services, or

(b) a non-profit organization that

i. receives funding from a government, municipality or school authority to support the supply of public passenger transportation services, or

ii. is established and operated for the purpose of providing public passenger transportation services to individuals with a disability; and

(2) all or substantially all of the supplies made by the entity are

(a) supplies of public passenger transportation services provided within and in the vicinity of the territory of a municipality, or

(b) supplies of rights for individuals to use public passenger transportation services referred to in subparagraph *a*.

1991, c. 67, s. 139; 1994, c. 22, s. 429; 1996, c. 2, s. 952; 1997, c. 85, s. 488; 2005, c. 38, s. 364; 2015, c. 21, s. 651; 2021, c. 18, s. 178

#### **140.** *(Repealed).*

1991, c. 67, s. 140; 1997, c. 85, s. 489.

**140.1.** For the purposes of the definition of “para-municipal organization” in section 139, such an organization is the organization of a municipal body if

(1) all or substantially all of the shares of the organization are owned by the municipal body or all or substantially all of the assets held by the organization are owned by the municipal body or are assets the disposition of which is controlled by the municipal body so that, in the event of a winding-up of the organization, those assets are vested in the municipal body; or

(2) the organization is required to submit to the municipal body the periodic operating and, where applicable, capital budget of the organization for approval and a majority of the members of the governing body of the organization are appointed by the municipal body.

1994, c. 22, s. 430.

**141.** A supply made by a public institution of movable property or a service is exempt, except a supply of

(1) property or a service provided for in Chapter IV;

(2) property or a service, other than a supply that is deemed only under section 32.2 or section 32.3 to have been made, where the supply is deemed under this Title to have been made by the institution;

(3) property, other than capital property of the institution or property that was acquired, manufactured or produced by the institution for the purpose of making a supply of the property, where, immediately before the time tax would be payable in respect of the supply if it were a taxable supply, the property was used, otherwise than in making the supply, in the course of commercial activities of the institution;

(4) capital property of the institution where, immediately before the time tax would be payable in respect of the supply if it were a taxable supply, the property was used, otherwise than in making the supply, primarily in commercial activities of the institution;

(5) corporeal property that was acquired, manufactured or produced by the institution for the purpose of making a supply of the property and was neither donated to the institution nor used by another person before its acquisition by the institution, or any service supplied by the institution in respect of such property, other than such property or such a service supplied by the institution under a contract for catering;

(6) property made by way of lease, licence or similar arrangement in conjunction with a supply of an immovable referred to in paragraph 6 of section 168;

(7) property or a service made by the institution under a contract for catering, for an event or occasion sponsored or arranged by another person who contracts with the institution for such supply;

(8) a membership where the membership

(a) entitles the member to supplies of admissions in respect of a place of amusement that would be taxable supplies if they were made separately from the supply of the membership, or to discounts on the value of consideration for such supplies, except where the value of the supplies or discount is insignificant in relation to the consideration for the membership; or

(b) includes a right to participate in a recreational or athletic activity, or use facilities, at a place of amusement, except where the value of the right is insignificant in relation to the consideration for the membership;

(9) services of performing artists in a performance where the supply is made to a person who makes taxable supplies of admissions in respect of the performance;

(10) a service involving, or a membership or other right entitling a person to, supervision or instruction in any recreational or athletic activity;

(11) a right to play or participate in a game of chance;

(12) a service of instructing individuals in, or administering examinations in respect of, any course where the supply is made by a vocational school, as defined in section 120, or a school authority, public college or university;

(13) an admission in respect of

(a) a place of amusement,

(b) a seminar, conference or similar event where the supply is made by a public college or a university,

(c) any fund-raising event;

(13.1) property or a service made by a municipality;

(13.2) designated municipal property, if the institution is a person designated to be a municipality for the purposes of subdivision 5 of Division I of Chapter VII;

(14) property or a service that

(a) is a cosmetic service supply (as defined in section 108) or a supply, in respect of a cosmetic service supply, that is not made for medical or reconstructive purposes, and



(b) would be included in Division II of this chapter, but for sections 108.1 and 108.2, or in Division II of Chapter IV, but for section 175.2; or

(15) property or a service that

(a) is not a qualifying health care supply (as defined in section 108), and

(b) would be described in any of sections 109 to 115 and 117 if Division II of this chapter were read without reference to sections 108.1 and 108.2.

1991, c. 67, s. 141; 1993, c. 19, s. 185; 1994, c. 22, s. 431; 1995, c. 1, s. 273; 1997, c. 85, s. 490; 2003, c. 2, s. 320; 2011, c. 6, s. 244; 2015, c. 21, s. 652.

**142.** *(Repealed).*

1991, c. 67, s. 142; 1997, c. 85, s. 491.

**143.** *(Repealed).*

1991, c. 67, s. 143; 1994, c. 22, s. 432; 1997, c. 85, s. 491.

**143.1.** A supply made by a public institution of an admission to a fund-raising dinner, ball, concert, show or like fund-raising activity is exempt where part of the consideration for the supply may reasonably be regarded as an amount that is donated to the institution and in respect of which a receipt referred to in section 712 or 752.0.10.3 of the Taxation Act (chapter I-3) may be issued or could be issued if the recipient of the supply were an individual.

1997, c. 85, s. 492.

**143.2.** A supply by way of sale of movable property or a service made by a public institution in the course of a fund-raising activity is exempt, but does not include

(1) a supply of any property or service where the institution makes supplies of such property or services in the course of that activity on a regular or continuous basis throughout the year or a significant portion of the year;

(2) a supply of any property or service where the agreement for the supply entitles the recipient to receive from the institution property or services on a regular or continuous basis throughout the year or a significant portion of the year;

(3) a supply of property or a service referred to in any of paragraphs 1 to 4 or 11 of section 141; or

(4) a supply of an admission in respect of a place of amusement at which the principal activity is the placing of bets or the playing of games of chance.

1997, c. 85, s. 492.

**144.** A supply of corporeal movable property made by way of sale by a public sector body is exempt where

(1) the body does not carry on the business of selling such property;

(2) all the sales persons are volunteers;

(3) the consideration for each item sold does not exceed \$5; and

(4) the property is not sold at an event at which supplies of property of the kind or class supplied are made by a person who carries on the business of selling such property.

This section does not apply to a supply of excisable goods.

1991, c. 67, s. 144; 2019, c. 14, s. 541.

**145.** A supply made by a public sector body of an admission in respect of a place of amusement at which the principal activity is the placing of bets or the playing of games of chance is exempt where

(1) the administrative functions and other functions performed in operating the game and taking the bets are performed exclusively by volunteers; and

(2) in the case of a bingo or casino, the game is not conducted in premises or at a place, including any temporary structure, that is used primarily for the purpose of conducting gambling activities.

1991, c. 67, s. 145.

**146.** A supply made by a public institution or non-profit organization of a right, other than an admission, to play or participate in a game of chance is exempt.

This section does not apply to a supply made by a prescribed person or in the case of the supply of a prescribed game of chance.

1991, c. 67, s. 146; 1994, c. 22, s. 433; 1997, c. 85, s. 493.

**147.** A supply of a service is exempt when the service is deemed under section 60 to have been supplied

(1) by a public institution or non-profit organization, other than a prescribed person; or

(2) where the service is in respect of a bet made through the agency of a pari-mutuel system on a running, trotting or pacing horse-race.

1991, c. 67, s. 147; 1997, c. 85, s. 494.

**148.** A supply by way of sale made by a public service body (other than a municipality) to a recipient of corporeal movable property (other than capital property of the body or, if the body is a person designated to be a municipality for the purposes of subdivision 5 of Division I of Chapter VII, designated municipal property), or of a service purchased by the body for the purpose of making a supply by way of sale of the service, is exempt if the total charge for the supply is equal to the usual charge by the body for such supplies to such recipients and

(1) if the body does not charge the recipient any amount as tax in respect of the supply, the total charge for the supply does not, or could not reasonably be expected to, exceed the direct cost of the supply; and

(2) if the body charges the recipient an amount as tax in respect of the supply, the consideration for the supply does not, and could not reasonably be expected to, equal or exceed the direct cost of the supply determined without reference to tax imposed under Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15) and without reference to any tax that became payable under this Title at a time when the body was a registrant.

1991, c. 67, s. 148; 1994, c. 22, s. 434; 1997, c. 85, s. 495; 2001, c. 53, s. 302; 2012, c. 28, s. 54; 2015, c. 21, s. 653.

**149.** *(Repealed).*

1991, c. 67, s. 149; 1997, c. 85, s. 496.

**150.** *(Repealed).*

1991, c. 67, s. 150; 1997, c. 85, s. 496.

**151.** A supply made by a public sector body of an admission in respect of a place of amusement is exempt where the maximum consideration for a supply by the body of such an admission does not exceed one dollar.

1991, c. 67, s. 151; 1997, c. 85, s. 497.

**152.** A supply made by a public sector body of any property or service is exempt if all or substantially all of the supplies of the property or service by the body are made for no consideration, but not including a supply of

(1) blood or blood derivatives; or

(2) a parking space if the supply is made for consideration by way of lease, licence or similar arrangement in the course of a business carried on by the body.

1991, c. 67, s. 152; 1997, c. 85, s. 497; 2015, c. 21, s. 654.

**153.** A supply of a right to be a spectator at a performance, competitive event or athletic event is exempt where all or substantially all of the performers, athletes or competitors taking part in the performance or event do not receive, directly or indirectly, remuneration for doing so, other than a reasonable amount as prizes, gifts or compensation for travel or other expenses incidental to the performers', athletes' or competitors' participation in the performance or event, or grants paid by a government or a municipality to the performers, athletes or competitors, and where no advertisement or representation in respect of the performance or event features participants who are so remunerated.

However, a supply of a right to be a spectator at a competitive event in which cash prizes are awarded and in which any competitor is a professional participant in any competitive event does not constitute an exempt supply.

1991, c. 67, s. 153.

**154.** A supply made by a public sector body of a right of membership in a program established and operated by the body that consists of a series of supervised instructional classes or activities involving athletics, outdoor recreation, music, dance, arts, crafts or other hobbies or recreational pursuits is exempt where

(1) it may reasonably be expected, given the nature of the classes or activities or the degree of relevant skill or ability required for participation in them, that the program will be provided primarily to children 14 years of age or under, except where the program involves overnight supervision throughout a substantial portion of the program; or

(2) the program is provided primarily for underprivileged individuals or individuals with a disability.

The first paragraph also applies to a supply of services supplied as part of a program referred to in that paragraph.

1991, c. 67, s. 154; 1997, c. 85, s. 498.

**155.** A supply made by a public sector body of board and lodging, or recreational services, at a recreational camp or similar place under a program or arrangement for providing the board and lodging or services primarily to underprivileged individuals or individuals with a disability is exempt.

1991, c. 67, s. 155; 1997, c. 85, s. 499.

**156.** A supply made by a public sector body of food, beverages or short-term accommodation is exempt where the supply is made in the course of an activity the purpose of which is to relieve poverty, suffering or distress of individuals, and is not fund-raising.

1991, c. 67, s. 156.

**157.** A supply made by a public sector body of food or beverages to seniors, underprivileged individuals or individuals with a disability under a program established and operated for the purpose of providing prepared food to those individuals in their places of residence and any supply of food or beverages made to the public sector body for the purposes of the program are exempt.

1991, c. 67, s. 157; 1997, c. 85, s. 500.

**158.** *(Repealed).*

1991, c. 67, s. 158; 1994, c. 22, s. 435.

**159.** A supply of a membership in a public sector body, other than a membership in a club the main purpose of which is to provide dining, recreational or sporting facilities or in an authorized party, is exempt where each member does not receive a benefit by reason of the membership, other than

- (1) an indirect benefit that is intended to accrue to all members collectively;
- (2) the right to receive services supplied by the body that are in the nature of investigating, conciliating or settling complaints or disputes involving members;
- (3) the right to vote at or participate in meetings;
- (4) the right to receive or acquire property or services supplied to the member for consideration that is not part of the consideration for the membership and that is equal to the fair market value of the property or services at the time the supply is made;
- (5) the right to receive a discount on the value of the consideration for a supply to be made by the body where the total value of all such discounts to which a member is entitled by reason of the membership is insignificant in relation to the consideration for the membership; or
- (6) the right to receive periodic newsletters, reports or publications where, as the case may be,
  - (a) their value is insignificant in relation to the consideration for membership, or
  - (b) they provide information on the activities of the body or its financial status, other than newsletters, reports or publications the value of which is significant in relation to the consideration for the membership and for which a fee is ordinarily charged by the body to non-members.

This section does not apply where the body has made an election under this section in prescribed form containing prescribed information.

1991, c. 67, s. 159; 1994, c. 22, s. 436; 1997, c. 85, s. 501.

**159.1.** Notwithstanding section 159, where a public sector body has made an election under section 17 of Part VI of Schedule V to the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), the body is deemed to have made an election under the second paragraph of section 159 and the election is deemed to become effective on the day an election under section 17 of Part VI of Schedule V to that Act is to become effective.

1997, c. 85, s. 502.

**160.** A supply of a membership made by an organization membership in which is required to maintain a professional status recognized by statute is exempt.

This section does not apply where the supplier has made an election under this section in prescribed form containing prescribed information.

1991, c. 67, s. 160; 1994, c. 22, s. 437.

**160.1.** A supply of a membership in an authorized party is exempt.

1997, c. 85, s. 503.

**160.2.** A supply made by an authorized party to a person is exempt where part of the consideration for the supply may reasonably be regarded as an amount (in this section referred to as the “amount contributed”) that is contributed to the authorized party and the person can claim a deduction or credit in determining the person’s tax payable under the Taxation Act (chapter I-3) or the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) in respect of the total of such amounts contributed.

1997, c. 85, s. 503.

**161.** A supply made by a public sector body of a right that confers borrowing privileges at a public lending library is exempt.

1991, c. 67, s. 161.

**162.** A supply of any of the following property or services made by a government or municipality or by a commission or other body established by a government or municipality is exempt:

(1) a supply of

(a) a service of registering, or processing an application to register, any property in a property registration system,

(b) a service of filing, or processing an application to file, any document in a property registration system, or

(c) a right to use, or to have access to, a property registration system to register, or make application to register, any property in it or to file, or make application to file, any document in it;

(2) a supply of

(a) a service of filing, or processing an application to file, a document in the registration system of a court or in accordance with legislative requirements,

(b) a right to use, or to have access to, the registration system of a court, or any other registration system in which documents are filed in accordance with legislative requirements, for the purpose of filing a document in that registration system,

(c) a service of issuing or providing, or processing an application to issue or provide, a document from the registration system of a court, or

(d) a right to use, or to have access to, the registration system of a court to issue or obtain a document;

(3) a supply (other than of a right or service supplied in respect of the bringing of alcoholic beverages into Québec) of

(a) a quota, licence, permit or similar right,

(b) a service of processing an application for a quota, licence, permit or similar right, or

(c) a right to use, or to have access to, a filing or registration system to make application for a quota, licence, permit or similar right;

(4) a supply of any document, a service of providing information, or a right to use, or to have access to, a filing or registration system to obtain any document or information that indicates

- (a) the vital statistics, residency, citizenship or right to vote of any person,
  - (b) the registration of any person for any service provided by a government or municipality or by a board, commission or other body established by a government or municipality, or
  - (c) any other status of any person;
- (5) a supply of any document, a service of providing information, or a right to use, or to have access to, a filing or registration system to obtain any document or information, in respect of
- (a) the title to, or any right in, property,
  - (b) any encumbrance or assessment in respect of property, or
  - (c) the zoning of an immovable;
- (6) a supply of a service of providing information under the Access to Information Act (R.S.C. 1985, c. A-1), the Privacy Act (R.S.C. 1985, c. P-21) or the Act respecting Access to documents held by public bodies and the Protection of personal information (chapter A-2.1);
- (7) a supply of a law enforcement service or fire safety service made to a government or a municipality or to a commission or other body established by a government or municipality;
- (8) a supply of a service of collecting garbage, including recyclable materials; and
- (9) a supply of a right to deposit refuse at a refuse disposal site.

1991, c. 67, s. 162; 1994, c. 22, s. 438; 1995, c. 63, s. 345; 1997, c. 85, s. 504; 2000, c. 20, s. 175; 2009, c. 5, s. 608; 2020, c. 16, s. 199

**162.1.** A supply made to a government or a municipality, or to a commission or other body established by a government or a municipality, of a service of receiving and processing telephone calls through a 9-1-1 emergency centre is exempt.

1999, c. 83, s. 311; 2005, c. 1, s. 353.

**163.** Notwithstanding section 162, the following supplies are not exempt:

- (1) a supply to a consumer of a right to hunt or fish;
- (2) a supply of a right to take or remove forestry products, products that grow in water, fishery products, minerals or peat, where the supply is made to
  - (a) a consumer; or
  - (b) a person who is not a registrant and who acquires the right in the course of a business of the person of making supplies of the products, minerals or peat to consumers;
- (3) a supply of a right to use, to have access to or to enter property of the government, municipality or other body other than a right, referred to in any of paragraphs 1 to 5 of section 162, to use, or to have access to, a filing or registration system.

1991, c. 67, s. 163; 1994, c. 22, s. 439; 2009, c. 5, s. 609.

**164.** A supply of a municipal service made by a government or municipality to owners or occupants of immovables situated in a particular geographic area is exempt where

- (1) the owners or occupants have no option but to receive the service; or

(2) the service is supplied because of a failure by an owner or occupant to comply with an obligation imposed under a law.

This section does not include a supply of a service of testing or inspecting any property for the purpose of verifying or certifying that the property meets particular standards of quality or is suitable for consumption, use or supply in a particular manner.

1991, c. 67, s. 164; 1997, c. 85, s. 505; 2002, c. 40, s. 340.

**164.1.** A supply made by a municipality or a board, commission or other body established by a municipality of any of the following services is exempt:

(1) a service of installing, replacing, repairing or removing street or road signs or barriers, street or traffic lights or property similar to any of the foregoing;

(2) a service of removing snow, ice or water;

(3) a service of removing, cutting, pruning, treating or planting vegetation;

(4) a service of repairing or maintaining roads, streets, sidewalks or similar or adjacent property; and

(5) a service of installing accesses or egresses.

1997, c. 85, s. 506.

**165.** A supply of a service, made by a municipality or by an organization that operates a water distribution, sewerage or drainage system and that is designated by the Minister to be a municipality for the purposes of this section, of installing, repairing, maintaining, or interrupting the operation of a water distribution, sewerage or drainage system, is exempt.

1991, c. 67, s. 165; 1994, c. 22, s. 440; 1997, c. 85, s. 507.

**166.** The following supplies are exempt:

(1) a supply of unbottled water when made by a person other than a government or by a government designated by the Minister to be a municipality for the purposes of this section;

(2) a supply of the service of delivering water, when the service is supplied by the supplier of the water and that supply of water is described in subparagraph 1.

This section does not apply to a supply of unbottled water that is a zero-rated supply or a supply of water dispensed in single servings to consumers through a vending machine or at a permanent establishment of the supplier.

1991, c. 67, s. 166; 1994, c. 22, s. 440; 1997, c. 85, s. 507.

**167.** The following supplies are exempt:

(1) a supply of a municipal transit service;

(2) a supply of a right that exclusively entitles an individual to use a public passenger transportation service (other than a charter service or a service that is part of a tour) that is operated by a transit authority;

(3) a supply of a public passenger transportation service designated by the Minister to be a municipal transit service; or

(4) a supply of a right that exclusively entitles an individual to use a public passenger transportation service referred to in subparagraph 3.

The first paragraph does not apply if the supply is made to a transit authority.

1991, c. 67, s. 167; 1997, c. 85, s. 507; 2005, c. 1, s. 354; 2012, c. 28, s. 55; 2021, c. 18, s. 179.

**167.1.** A supply made to a particular transit authority of incorporeal movable property that is a right evidenced by a ticket, pass, voucher, or other similar physical or electronic media, is exempt if

(1) the property exclusively entitles an individual to use a public passenger transportation service (other than a charter service or a service that is part of a tour) that is operated by another transit authority, or to use a public passenger transportation service designated by the Minister to be a municipal transit service under subparagraph 3 of the first paragraph of section 167, and the particular transit authority acquires the property exclusively for the purpose of making a supply of the property; or

(2) the property exclusively entitles an individual to use a public passenger transportation service (other than a charter service or a service that is part of a tour) that is operated by the particular transit authority and the particular transit authority previously supplied the property.

2021, c. 18, s. 180.

**168.** A supply of an immovable made by a public service body (other than a financial institution, a municipality or a government) is exempt, except a supply of

(1) a residential complex or an interest therein where the supply is made by way of sale;

(2) an immovable, other than a supply that is deemed only under section 32.2 to have been made, where the supply is deemed under this Title to have been made;

(3) an immovable where the supply is made by way of sale to an individual or a personal trust, other than a supply of an immovable on which is situated a structure that was used by the body as an office or in the course of commercial activities or of making exempt supplies;

(4) an immovable where, immediately before the time tax would be payable in respect of the supply if it were a taxable supply, the property was used, otherwise than in making the supply, primarily in commercial activities of the body;

(5) short-term accommodation where the supply is made by a non-profit organization, municipality, university, public college or school authority;

(6) an immovable, other than short-term accommodation, where the supply is made by way of lease, where the period throughout which continuous possession or use of the property is provided under the lease is less than one month, or a licence, where the supply is made in the course of a business carried on by the body;

(7) an immovable in respect of which an election under section 272 is in effect at the time tax would become payable under this Title in respect of the supply if it were a taxable supply;

(8) a parking space where the supply is made by way of lease, licence or similar arrangement in the course of a business carried on by the body;

(9) an immovable the last supply of which to the body was deemed to have been made under section 320; or

(10) designated municipal property, if the body is a person designated to be a municipality for the purposes of subdivision 5 of Division I of Chapter VII.

1991, c. 67, s. 168; 1994, c. 22, s. 441; 1997, c. 85, s. 508; 2003, c. 2, s. 321; 2012, c. 28, s. 56; 2015, c. 21, s. 655.

**168.1.** A supply (other than a supply by way of sale) of a parking space in a parking lot made by a public sector body is exempt if



(1) at the time the supply is made, either

(a) all of the parking spaces in the specified parking area in relation to the supply are reserved for use by individuals who are accessing a hospital centre, or

(b) it is reasonable to expect that the specified parking area in relation to the supply will be used, during the calendar year in which the supply is made, primarily by individuals who are accessing a hospital centre;

(2) it is not the case that

(a) all or substantially all of the parking spaces in the specified parking area in relation to the supply are reserved for use by persons other than individuals accessing a hospital centre otherwise than in a professional capacity,

(b) the supply or the amount of the consideration for the supply is conditional on the parking space being used by a person other than an individual accessing a hospital centre otherwise than in a professional capacity, or

(c) the agreement for the supply is entered into in advance and, under the terms of the agreement for the supply, use of a parking space in the specified parking area in relation to the supply is made available for a total period of time that is more than 24 hours and the use is to be by a person other than an individual accessing a hospital centre otherwise than in a professional capacity; and

(3) no election made by the public sector body under section 272 is in effect, in respect of the property on which the parking space is situated, at the time tax under this Title would become payable in respect of the supply if it were a taxable supply.

2015, c. 21, s. 656.

**169.** A supply made by a particular non-profit organization established primarily for the benefit of organized labour is exempt where the supply is made to

(1) a trade union, association or body referred to in section 172 that is a member of or affiliated with the particular organization; or

(2) another non-profit organization established primarily for the benefit of organized labour,

and a supply made by a person referred to in paragraph 1 or 2 is exempt where the supply is made to any such organization.

1991, c. 67, s. 169.

**169.1.** A supply of a poppy or wreath made by the Minister of Veterans Affairs in the course of operating a sheltered employment workshop, by the Dominion Command, or by any provincial command or branch of the Royal Canadian Legion, is exempt.

1994, c. 22, s. 442.

**169.2.** A supply between the following persons is exempt:

(1) a municipal body and any of its para-municipal organizations;

(2) a para-municipal organization of a municipal body and any other para-municipal organization of the municipal body;

(3) a regional municipality and any of its local municipalities or any para-municipal organization of any of those local municipalities;

(4) a para-municipal organization of a regional municipality and any local municipality of the regional municipality or any para-municipal organization of the local municipality; or

(5) a regional municipality or any of its para-municipal organizations and any other organization, other than a government, the designated activities of which include the provision of water or municipal services within a territory over which the regional municipality has jurisdiction.

This section does not apply to a supply of electricity, gas, steam or telecommunication services made by a municipal body or a para-municipal organization, or a branch or division thereof, that acts as a public utility, or any supply made or received by the following persons otherwise than in the course of their designated activities:

(1) a designated body of the Gouvernement du Québec;

(2) a para-municipal organization designated as a municipality for the purposes of section 165 or 166 or subdivision 5 of Division I of Chapter VII; or

(3) another organization referred to in subparagraph 5 of the first paragraph.

1994, c. 22, s. 442; 1997, c. 85, s. 509; 2005, c. 38, s. 365; 2015, c. 21, s. 657.

## **DIVISION VI.1**

### **FINANCIAL SERVICES**

2012, c. 28, s. 57.

**169.3.** A supply of a financial service is exempt, unless it is a zero-rated supply under Division VII.2 of Chapter IV.

2012, c. 28, s. 57.

**169.4.** A supply of a property or service that is deemed to be a supply of a financial service under section 297.0.2.1 is exempt.

2012, c. 28, s. 57.

## **DIVISION VII**

### **FERRY, ROAD OR BRIDGE TOLL**

**170.** A supply, other than a zero-rated supply, of a service of ferrying by watercraft passengers or property where the principal purpose of the ferrying is to transport motor vehicles and passengers between parts of a road or highway system that are separated by a stretch of water is exempt.

1991, c. 67, s. 170; 1994, c. 22, s. 443.

**171.** A supply of a right to use a road or bridge where a toll is charged for the right is exempt.

1991, c. 67, s. 171.

## **DIVISION VIII**

### **DUES**

**172.** Where an amount is paid by a person to an organization as

(1) a membership due paid to a trade union as defined

- (a) in section 3 of the Canada Labour Code (Revised Statutes of Canada, 1985, chapter L-2); or
- (b) in any provincial Act providing for the investigation, conciliation or settlement of industrial disputes,

or to an association of public servants the primary object of which is to promote the improvement of the members' conditions of employment or work,

(2) a due that was, pursuant to the provisions of a collective agreement, retained by the person from an individual's remuneration and paid to a trade union or association referred to in paragraph 1 of which the individual was not a member, or

(3) a due to a parity or advisory committee or similar body, the payment of which was required under the laws of a province in respect of an individual's employment,

the organization is deemed to have made an exempt supply to the person and the amount is deemed to be consideration for the supply.

1991, c. 67, s. 172.

## **DIVISION IX**

### **FEES PAID TO A GOVERNMENT**

1994, c. 22, s. 444.

**172.1.** Where a government or municipality or a board, commission or other body established by a government or municipality collects from the holder of or applicant for a right the supply of which is referred to in paragraph 3 of section 162 an amount that is levied for the purpose of recovering the costs of administration of a regulatory program relating to the right and the holder's or the applicant's failure to pay the amount would result in a loss of, a restriction in the exercise of, a change in the person's entitlements under, or a denial of, the right,

(1) the government, municipality, board, commission or other similar body is deemed to have made an exempt supply to the person; and

(2) the amount is deemed to be consideration for that supply.

1994, c. 22, s. 444.

## **CHAPTER IV**

### **ZERO-RATED SUPPLY**

## **DIVISION I**

### **DRUGS AND BIOLOGICALS**

1994, c. 22, s. 445.

**173.** For the purposes of this division,

“authorized individual” means an individual, other than a medical practitioner, who is authorized under the laws of Québec, another province, the Northwest Territories, the Yukon Territory or Nunavut to make an order directing that a stated amount of a drug or mixture of drugs specified in the order be dispensed for the individual named in the order;

“medical practitioner” means a physician within the meaning of the Medical Act (chapter M-9) or a dentist within the meaning of the Dental Act (chapter D-3) and includes a person who is entitled under the laws of

another province, the Northwest Territories, the Yukon Territory or Nunavut to practise the profession of medicine or dentistry;

“pharmacist” has the meaning assigned by the Pharmacy Act (chapter P-10) and includes a person who is entitled under the laws of another province, the Northwest Territories, the Yukon Territory or Nunavut to practise the profession of pharmacy;

“prescription” means a written or verbal order, given to a pharmacist by a medical practitioner or authorized individual, directing that a stated amount of a drug or mixture of drugs specified in the order be dispensed for the individual named in the order.

1991, c. 67, s. 173; 1997, c. 85, s. 510; 2003, c. 2, s. 322; 2009, c. 15, s. 496.

**174.** The following are zero-rated supplies:

(1) a supply of any of the following drugs or substances, except where they are labelled or supplied for agricultural or veterinary use only:

(a) a drug described in Schedules C and D to the Food and Drugs Act (R.S.C. 1985, c. F-27);

(b) a drug that is set out on the list established under subsection 1 of section 29.1 of the Food and Drugs Act or that belongs to a class of drugs set out on that list, other than a drug or mixture of drugs that may, under that Act or the Food and Drug Regulations (C.R.C., c. 870) made under that Act, be sold to a consumer without a prescription;

(c) a drug or other substance included in the schedule to Part G of the Food and Drug Regulations made under the Food and Drugs Act;

(d) a drug that contains a substance included in the schedule to the Narcotic Control Regulations (C.R.C., c. 1041) made under the Controlled Drugs and Substances Act (S.C. 1996, c. 19), other than a drug or mixture of drugs that may, pursuant to that Act or regulations made under that Act, be sold to a consumer with neither a prescription nor an exemption by the federal Minister of Health in respect of the sale;

(d.1) a drug referred to in Schedule 1 to the Benzodiazepines and Other Targeted Substances Regulations made under the Controlled Drugs and Substances Act;

(e) deslanoside, digitoxin, digoxin, epinephrine and its salts, erythryl tetranitrate, isosorbide dinitrate, isosorbide-5-mononitrate, medical oxygen, naloxone and its salts, nitroglycerine, prenylamine or quinidine and its salts;

(f) a drug the supply of which is authorized under the Food and Drug Regulations made under the Food and Drugs Act for use in an emergency treatment; and

(g) plasma expander;

(2) a supply of a drug when the drug is for human use and is dispensed

(a) by a medical practitioner to an individual for the personal consumption or use of the individual or an individual related thereto; or

(b) on the prescription of a medical practitioner or authorized individual for the personal consumption or use of the individual named in the prescription;

(3) a supply of a service of dispensing a drug where the supply of the drug is provided for in this division;

(4) a supply of human sperm;

(5) a supply of an ovum, as defined in section 3 of the Assisted Human Reproduction Act (S.C. 2004, c. 2).

1991, c. 67, s. 174; 1994, c. 22, s. 446; 1997, c. 85, s. 511; 2001, c. 53, s. 303; 2009, c. 5, s. 610; 2009, c. 15, s. 497; 2015, c. 21, s. 658; 2019, c. 14, s. 542; 2021, c. 14, s. 225.

## **DIVISION II**

### **MEDICAL AND ASSISTIVE DEVICES**

1997, c. 85, s. 512.

**175.** For the purposes of this division, “specified professional” means

(1) in respect of a supply referred to in any of paragraphs 22, 23.1 and 34 of section 176,

(a) a physician within the meaning of the Medical Act (chapter M-9), including a person who is entitled under the laws of another province, the Northwest Territories, the Yukon Territory or Nunavut to practise the profession of medicine;

(b) a person who is entitled under the Professional Code (chapter C-26) to practise the profession of physiotherapy or occupational therapy, including a person who is entitled under the laws of another province, the Northwest Territories, the Yukon Territory or Nunavut to practise that profession;

(c) a nurse who is entitled under the laws of Québec, another province, the Northwest Territories, the Yukon Territory or Nunavut to practise that profession; or

(d) a podiatrist within the meaning of the Podiatry Act (chapter P-12), including a person who is entitled under the laws of another province, the Northwest Territories, the Yukon Territory or Nunavut to practise the profession of podiatry or chiropody; or

(2) in respect of any other supply, a person described in any of subparagraphs *a* to *c* of paragraph 1.

1991, c. 67, s. 175; 1997, c. 85, s. 513; 2003, c. 2, s. 323; 2015, c. 21, s. 659; 2021, c. 14, s. 226.

**175.1.** For the purposes of this division, other than paragraph 32 of section 176, a supply of property that is not designed for human use or for assisting a person with a disability or impairment is deemed not to be included in this division.

2009, c. 15, s. 498.

**175.2.** For the purposes of this division, a cosmetic service supply (as defined in section 108) and a supply, in respect of a cosmetic service supply, that is not made for medical or reconstructive purposes are deemed not to be included in this division.

2011, c. 6, s. 245.

**176.** The following are zero-rated supplies:

(1) a supply of a communication device, other than a device described in paragraph 6, that is specially designed for use by a person with a hearing, speech or vision impairment;

(2) a supply of a heart-monitoring device when the device is supplied on the written order of a specified professional for use by a consumer with heart disease who is named in the order;

(3) a supply of a hospital bed when the bed is supplied to the operator of a health care institution, within the meaning of section 108, or on the written order of a specified professional for use by an incapacitated person named in the order;

(4) a supply of an artificial breathing apparatus that is specially designed for use by a person with a respiratory disorder;

(4.1) a supply of an aerosol chamber or a metered dose inhaler for use in the treatment of asthma when the chamber or inhaler is supplied on the written order of a specified professional for use by a consumer named in the order;

(4.2) a supply of a respiratory monitor, nebulizer, tracheostomy supply, gastro-intestinal tube, dialysis machine, infusion pump or intravenous apparatus, that can be used in the residence of a person;

(5) a supply of a mechanical percussor for postural drainage treatment or a chest wall oscillation system for airway clearance therapy;

(6) a supply of a device that is designed to convert sound to light signals when the device is supplied on the written order of a specified professional for use by a consumer with a hearing impairment who is named in the order;

(7) a supply of a selector control device that is specially designed to enable a person with a disability to energize, select or control household, industrial or office equipment;

(8) a supply of ophthalmic lenses, with or without frames, when the lenses are, or are to be, supplied on the written order of a person, or in accordance with an assessment record produced by a person, for the correction or treatment of a defect of vision of the consumer named in the order or assessment record, and the person is entitled under the laws of Québec, another province, the Northwest Territories, the Yukon Territory or Nunavut (province or territory in which the person practises) to prescribe such lenses, or to produce an assessment record to be used for the dispensing of such lenses, for the correction or treatment of the defect of vision of the consumer;

(8.1) a supply of eyewear that is specially designed to correct or treat a defect of vision by electronic means, if the eyewear is supplied on the written order of a person that is entitled under the laws of Québec, another province, the Northwest Territories, the Yukon Territory or Nunavut to practise the profession of medicine or optometry for the correction or treatment of a defect of vision of a consumer who is named in the order;

(9) a supply of an artificial eye;

(10) a supply of artificial teeth;

(10.1) a supply of an orthodontic appliance;

(11) a supply of a hearing aid;

(12) a supply of a laryngeal speaking aid;

(13) a supply of a chair, walker, wheelchair lift or similar aid to locomotion, with or without wheels, including motive power and wheel assemblies therefor, that is specially designed to be operated by a person with a disability for locomotion of the person;

(13.1) a supply of a chair that is specially designed for use by a person with a disability if the chair is supplied on the written order of a specified professional for use by a consumer named in the order;

(14) a supply of a patient lifter that is specially designed to move a disabled person;

(15) a supply of a wheelchair ramp that is specially designed for access to a motor vehicle;

(16) a supply of a portable wheelchair ramp;

(17) a supply of an auxiliary driving control that is designed for attachment to a motor vehicle to facilitate the operation of the vehicle by a person with a disability;

(17.1) a supply of a service of modifying a motor vehicle to adapt the vehicle for the transportation of a person using a wheelchair and a supply of property, other than the vehicle, made in conjunction with, and because of, the supply of the service;

(18) a supply of a patterning device that is specially designed for use by a disabled person;

(19) a supply of a bath seat, shower seat, toilet seat or commode chair that is specially designed for use by a person with a disability;

(20) a supply of an insulin infusion pump, insulin syringe, insulin pen or insulin pen needle;

(20.1) a supply of an extremity pump, intermittent pressure pump or similar device for use in the treatment of lymphedema when the pump or device is supplied on the written order of a specified professional for use by a consumer named in the order;

(20.2) a supply of a catheter for subcutaneous injections when the catheter is supplied on the written order of a specified professional for use by a consumer named in the order;

(20.3) a supply of a lancet;

(21) a supply of an artificial limb;

(22) a supply of an orthotic or orthopaedic device that is made to order for a person or is supplied on the written order of a specified professional for use by a consumer named in the order;

(22.1) *(paragraph repealed)*;

(23) a supply of a specially constructed appliance that is made to order for a person who has a crippled or deformed foot or ankle;

(23.1) a supply of footwear that is specially designed for use by a person who has a crippled or deformed foot or other similar disability, when the footwear is supplied on the written order of a specified professional;

(24) a supply of a medical or surgical prosthesis, or an ileostomy, colostomy or urinary appliance or similar article that is designed to be worn by a person;

(24.1) a supply of an intermittent urinary catheter if the catheter is supplied on the written order of a specified professional for use by a consumer named in the order;

(25) a supply of an article or material, not including a cosmetic, for use by a user of, and necessary for the proper application and maintenance of an article described in paragraph 24; “cosmetic” means a property, whether or not possessing therapeutic or prophylactic properties, commonly or commercially known as a toilet article, preparation or cosmetic that is intended for use or application for toilet purposes or for use in connection with the care of the human body, or any part thereof, whether for preserving, deodorizing, beautifying, cleansing or restoring and, for greater certainty, includes a denture cream or adhesive, antiseptic, skin cream or lotion, mouth wash, depilatory, scent, perfume, toothpaste, tooth powder, bleach, oral rinse, toilet soap and any similar toilet article, cosmetic or preparation;

(26) a supply of a crutch or cane that is specially designed for use by a person with a disability;

(27) a supply of a blood-glucose monitor or meter;

(28) a supply of blood-ketone, urinary-ketone, blood-sugar, or urinary-sugar testing strips or urinary-ketone or urinary-sugar reagents or tablets;

(28.1) a supply of a blood coagulation monitor or meter that is specially designed for use by a person requiring blood coagulation monitoring or metering, or a supply of blood coagulation testing strips or reagents compatible with a blood coagulation monitor or meter;

(29) a supply of any article that is specially designed for the use of blind persons when the article is supplied to or by the Canadian National Institute for the Blind or any other bona fide association or institution for blind persons for use by a blind person or on the order of or in accordance with the certificate issued by a specified professional;

(30) a supply of a prescribed property or service;

(31) a supply of a part, accessory or attachment that is specially designed for a property described in this division;

(32) a supply of an animal that is or is to be specially trained to assist a person with a disability or impairment with a problem arising from the disability or impairment, or a supply of a service of training a person to use the animal, if the supply is made to or by an organization that is operated for the purpose of supplying such specially trained animals to persons with the disability or impairment;

(32.1) *(paragraph repealed)*;

(33) a supply of a service (other than a service the supply of which is described in any provision of Division II of Chapter III except section 116) of maintaining, installing, modifying, repairing or restoring a property the supply of which is described in any of paragraphs 1 to 31 and 36 to 40, or any part of such a property if the part is supplied in conjunction with the service;

(34) a supply of a graduated compression stocking, an anti-embolic stocking or similar article when the stocking or article is supplied on the written order of a specified professional for use by a consumer named in the order;

(35) a supply of clothing that is specially designed for use by a person with a disability when the clothing is supplied on the written order of a specified professional for use by a consumer named in the order;

(36) a supply of an incontinence product that is specially designed for use by a person with a disability;

(37) a supply of a feeding utensil or other gripping device that is specially designed for use by a person with impaired use of hands or other similar disability;

(38) a supply of a reaching aid that is specially designed for use by a person with a disability;

(39) a supply of a prone board that is specially designed for use by a person with a disability;

(40) a supply of a device that is specially designed for neuromuscular stimulation therapy or standing therapy, if supplied on the written order of a specified professional for use by a consumer with paralysis or a severe mobility impairment who is named in the order.

1991, c. 67, s. 176; 1994, c. 22, s. 447; 1995, c. 1, s. 275; 1997, c. 85, s. 514; 2001, c. 53, s. 304; 2003, c. 2, s. 324; 2009, c. 15, s. 499; 2010, c. 5, s. 213; 2011, c. 6, s. 246; 2015, c. 21, s. 660; 2015, c. 24, s. 172; 2017, c. 29, s. 250.

## **DIVISION III**

### **BASIC GROCERIES**

**177.** Supplies of food or beverages for human consumption, including seasonings, sweetening agents and other ingredients to be mixed with or used in the preparation of such food or beverages, other than supplies of the following, are zero-rated supplies:



- (1) beer, malt liquor, spirits, wine or other alcoholic beverages;
  - (1.1) grapes, juice and must, whether concentrated or not, malt, malt extract and other similar products intended for the making of wine or beer;
  - (1.2) cannabis products, within the meaning of section 2 of the Excise Act, 2001 (S.C. 2002, c. 22);
- (2) *(paragraph repealed)*;
- (3) carbonated beverages;
- (4) non-carbonated fruit juice beverages or fruit flavoured beverages, other than milk-based beverages, that contain less than 25% by volume of
  - (a) a natural fruit juice or combination of natural fruit juices; or
  - (b) a natural fruit juice or combination of natural fruit juices that have been reconstituted;
- (5) goods that, when added to water, produce a beverage described in paragraph 4;
- (6) candies, confectionery that may be classed as candy, or any goods sold as candies, such as candy floss, chocolate and chewing gum, whether naturally or artificially sweetened, and including fruits, seeds, popcorn and nuts when they are coated or treated with chocolate, molasses, honey, syrup, sugar, candy or artificial sweeteners;
- (7) sticks, chips or curls, such as cheese sticks, potato sticks, bacon crisps, corn chips, potato chips or cheese curls, and other similar snack foods, brittle pretzels or popcorn, but not including any product that is sold primarily as a breakfast cereal;
- (8) salted seeds or salted nuts;
- (9) granola products, but not including any product that is sold primarily as a breakfast cereal;
- (10) snack mixtures that contain cereals, dried fruit, seeds, nuts or any other edible product, but not including any mixture that is sold primarily as a breakfast cereal;
- (11) ice lollies, juice bars, flavoured, coloured or sweetened ice waters, or similar products, whether frozen or not;
- (12) ice cream, frozen pudding, ice milk, sherbet or frozen yoghurt, non-dairy substitutes for any of the foregoing, or any product that contains any of the foregoing, when packaged or sold in single servings;
- (13) fruit drops, rolls or bars or similar fruit-based snack foods;
- (14) doughnuts, cookies, croissants with sweetened coating, icing or filling, cakes, muffins, pastries, tarts, pies or similar products, but not including bread products without sweetened coating, icing or filling, such as bagels, croissants, English muffins or bread rolls, where
  - (a) they are prepackaged for sale to consumers in quantities of less than six items each of which is a single serving, or
  - (b) they are not prepackaged for sale to consumers and are sold as single servings in quantities of less than six;
- (15) pudding, including flavoured gelatine, mousse, flavoured whipped dessert product or any other products similar to pudding, or beverages, other than unflavoured milk, except

- (a) when prepared and prepackaged specially for consumption by babies,
- (b) when sold in multiples, prepackaged by the manufacturer or producer, of single servings, or
- (c) when the cans, bottles or other primary containers in which the beverages or products are sold contain a quantity exceeding a single serving;
- (16) food or beverages heated for consumption;
- (16.1) salads not canned or vacuum sealed;
- (16.2) sandwiches and similar products other than when frozen;
- (16.3) platters of cheese, fruit, vegetables or cold cuts and other arrangements of prepared food;
- (16.4) beverages dispensed at the place where they are sold;
- (16.5) food or beverages sold under a contract for, or in conjunction with, catering services;
- (17) food or beverages sold through a vending machine;
- (18) food or beverages sold at an establishment at which all or substantially all of the sales of food or beverages are sales of food or beverages described in any of paragraphs 1 to 17, except where
  - (a) the food or beverage is sold in a form not suitable for immediate consumption, having regard to the nature of the product, the quantity sold or its packaging, or
  - (b) in the case of a product described in paragraph 14, the product is not sold for consumption at the establishment and
    - i. is prepackaged for sale to consumers in quantities of more than five items each of which is a single serving, or
    - ii. is not prepackaged for sale to consumers and is sold as single servings in quantities of more than five;
- (19) unbottled water, other than ice.

1991, c. 67, s. 177; 1994, c. 22, s. 448; 1997, c. 14, s. 334; 1997, c. 85, s. 515; 2015, c. 24, s. 173; 2019, c. 14, s. 543.

**177.1.** A supply of unbottled water for human consumption made to a consumer, when the water is dispensed in a quantity exceeding a single serving through a vending machine or at a permanent establishment of the supplier, is a zero-rated supply.

1994, c. 22, s. 449.

## **DIVISION IV**

### **AGRICULTURE AND FISHING**

**178.** The following are zero-rated supplies:

(1) a supply of bees, farm livestock, other than rabbits, or poultry that are ordinarily raised or kept to be used as or to produce food for human consumption or to produce wool;

(1.1) a supply of a rabbit made otherwise than in the course of a business in the course of which animals are regularly supplied as pets to consumers;

(2) a supply of grains or seeds (other than viable seeds that are cannabis as defined in subsection 1 of section 2 of the Cannabis Act (S.C. 2018, c. 16)) in their natural state, treated for seeding purposes or irradiated for storage purposes, hay or silage, or other fodder crops, that are ordinarily used as, or to produce, food for human consumption or feed for farm livestock or poultry, when supplied in a quantity that is larger than the quantity that is ordinarily sold or offered for sale to consumers, but not including grains or seeds or mixtures thereof that are packaged, prepared or sold for use as feed for wild birds or as pet food;

(2.1) a supply of feed, made by the operator of a feedlot, that is deemed to be a separate supply under paragraph 1 of section 39.2;

(3) a supply of sugar beets, sugar cane, flax seed, hops, barley or straw;

(3.1) a supply of grain or seeds, or of mature stalks having no leaves, flowers, seeds or branches, of hemp plants of the genera Cannabis, if

(a) in the case of grain or seeds, they are not further processed than sterilized or treated for seeding purposes and are not packaged, prepared or sold for use as feed for wild birds or as pet food;

(b) in the case of viable grain or seeds, they are included in the definition of “industrial hemp” in section 1 of the Industrial Hemp Regulations (SOR/98-156) made under the Controlled Drugs and Substances Act (S.C. 1996, c. 19) or they are industrial hemp for the purposes of the Cannabis Act; and

(c) the supply is made in accordance with the Controlled Drugs and Substances Act or the Cannabis Act, if applicable;

(4) a supply of poultry or fish eggs that are produced for hatching purposes;

(5) a supply of fertilizer, other than a product sold as soil or as a soil mixture, whether or not containing fertilizer, made at any time to a recipient when the fertilizer is supplied in bulk, or in a container that contains at least 25 kg of fertilizer, where the total quantity of fertilizer supplied at that time to the recipient is at least 500 kg;

(6) a supply of wool, not further processed than washed;

(7) *(paragraph repealed)*;

(8) a supply of fish or other marine or freshwater animals not further processed than frozen, filleted, scaled, eviscerated, smoked, salted, dried, other than any such animal that is not ordinarily used as food for human consumption or that is sold as bait in recreational fishing;

(9) a supply made to a registrant of farmland by way of lease, licence or similar arrangement, to the extent that the consideration for the supply is a share of the production from the farmland of property the supply of which is a zero-rated supply; and

(10) a supply of prescribed property.

1991, c. 67, s. 178; 1994, c. 22, s. 450; 1995, c. 1, s. 276; 1997, c. 85, s. 516; 2009, c. 5, s. 611; 2009, c. 15, s. 500; 2019, c. 14, s. 544.

## **DIVISION V**

### **SUPPLY SHIPPED OUTSIDE QUÉBEC**

**179.** A supply of corporeal movable property, other than excisable goods, made by a person to a recipient, other than a consumer, who intends to ship the property outside Québec is a zero-rated supply if

(1) in the case of property that is a continuous transmission commodity that the recipient intends to ship outside Québec by means of a wire, pipeline or other conduit, the recipient is not registered under Division I of Chapter VIII;

(2) the recipient ships the property outside Québec as soon after the property is delivered by the person to the recipient as is reasonable having regard to the circumstances surrounding the shipment outside Québec and, where applicable, to the normal business practice of the recipient;

(3) the property is not acquired by the recipient for consumption, use or supply in Québec before the shipment of the property outside Québec by the recipient;

(4) after the supply is made and before the recipient ships the property outside Québec, the property is not further processed, transformed or altered in Québec except to the extent reasonably necessary or incidental to its transportation; and

(5) the person maintains evidence satisfactory to the Minister of the shipment of the property outside Québec by the recipient.

1991, c. 67, s. 179; 1994, c. 22, s. 451; 1995, c. 63, s. 346; 2001, c. 53, s. 305; 2003, c. 2, s. 325; 2005, c. 38, s. 366.

**179.1.** A supply made by way of sale to a recipient, other than a consumer, who is registered under Division I of Chapter VIII of movable corporeal property, other than property referred to in the third paragraph, is a zero-rated supply where the recipient provides the supplier with a shipping certificate, within the meaning of section 427.3, certifying that an authorization to use the certificate granted to the recipient under that section is in effect at the time the supply is made, and discloses to the supplier the number referred to in section 427.5 and the expiry date of the authorization.

The first paragraph does not apply where an authorization granted by the Minister to use the certificate is not in effect at the time the supply is made or the recipient does not ship the property outside Québec in the circumstances described in paragraphs 2 to 4 of section 179, unless the supplier did not know and could not reasonably be expected to have known, at or before the latest time at which tax in respect of the supply would have become payable if the supply were not a zero-rated supply, that the authorization was not in effect at the time the supply was made or that the recipient would not so ship the property outside Québec.

The property to which the first paragraph refers is

(1) excisable goods; or

(2) a continuous transmission commodity that must be transported by or on behalf of the recipient by means of a wire, pipeline or other conduit.

2003, c. 2, s. 326; 2005, c. 38, s. 367.

**179.2.** A supply made by way of sale to a recipient who is registered under Division I of Chapter VIII of property, other than property referred to in the third paragraph, is a zero-rated supply where

(1) the recipient provides the supplier with a shipping distribution centre certificate, within the meaning of section 350.23.7, certifying that an authorization to use the certificate granted to the recipient under that section is in effect at the time the supply is made and that the property is being acquired for use or supply as domestic inventory or as added property of the recipient, within the meaning assigned to those expressions by section 350.23.1, and discloses to the supplier the number referred to in section 350.23.9 and the expiry date of the authorization; and

(2) the total amount, included in a single invoice or agreement, of the consideration for that supply and for all other supplies that are made to the recipient and are otherwise included in this section is at least \$1,000.

The first paragraph does not apply where an authorization granted by the Minister to use the certificate is not in effect at the time the supply is made or the recipient is not acquiring the property for use or supply as domestic inventory or as added property in the course of commercial activities of the recipient, unless the supplier did not know and could not reasonably be expected to have known, at or before the latest time at which tax in respect of the supply would have become payable if the supply were not a zero-rated supply, that the authorization was not in effect at the time the supply was made or that the recipient was not acquiring the property for that purpose.

The property to which the first paragraph refers is

(1) excisable goods; or

(2) a continuous transmission commodity that must be transported by or on behalf of the recipient by means of a wire, pipeline or other conduit.

2003, c. 2, s. 326; 2005, c. 38, s. 368.

**180.** A supply of property or a service, other than the supply of an immovable by way of sale, made to a person not resident in Québec who is not registered under Division I of Chapter VIII at the time the supply is made, is a zero-rated supply where the property or service is acquired by the person for consumption, use or supply

(1) where the person carries on a business of transporting property or passengers to or from Québec or between places outside Québec by aircraft, railway or ship, in the course of so transporting property or passengers;

(2) in the course of operating an aircraft or ship by or on behalf of a government of a province other than Québec, the Northwest Territories, the Yukon Territory, Nunavut or a country other than Canada; or

(3) in the course of operating a ship for the purpose of obtaining scientific data outside Québec or for the laying or repairing of oceanic telegraph cables.

1991, c. 67, s. 180; 1997, c. 85, s. 517; 2003, c. 2, s. 327.

**180.1.** A supply of fuel is a zero-rated supply when it is made to a person who is registered under Division I of Chapter VIII at the time the supply is made, where

(1) the person carries on a business of transporting property or passengers to or from Québec or between places outside Québec by aircraft, railway or ship; and

(2) the fuel is acquired by the person for use in the course of so transporting property or passengers.

1994, c. 22, s. 452; 1997, c. 85, s. 518.

**180.2.** *(Repealed).*

1995, c. 1, s. 277; 2012, c. 8, s. 268.

**180.3.** A supply of an air navigation service, as defined in subsection 1 of section 2 of the Civil Air Navigation Services Commercialization Act (Statutes of Canada, 1996, chapter 20), made to a person who is registered under Division I of Chapter VIII at the time the supply is made, is a zero-rated supply if

(1) the person carries on a business of transporting passengers or property to or from Québec, or between places outside Québec, by aircraft; and

(2) the air navigation service is acquired by the person for use in the course of so transporting passengers or property.

2001, c. 53, s. 306.

**181.** A supply of an excisable good, if the recipient exports the good without the payment of duty in accordance with the Excise Act (Revised Statutes of Canada, 1985, chapter E-14) or the Excise Act, 2001 (Statutes of Canada, 2002, chapter 22), is a zero-rated supply.

1991, c. 67, s. 181; 2005, c. 38, s. 369.

**182.** A supply of a service, other than a transportation service, in respect of corporeal movable property ordinarily situated outside Québec and of any corporeal movable property supplied in conjunction with the service, is a zero-rated supply if

(1) where the property is ordinarily situated outside Canada, the property is temporarily brought into Québec for the sole purpose of having the service performed and is taken or shipped outside Canada as soon as is practicable after the service is performed; or

(2) where the property is ordinarily situated outside Québec but within Canada,

(a) the property is temporarily brought into Québec for the sole purpose of having the service performed and is taken or shipped outside Québec but within Canada as soon as is practicable after the service is performed, and

(b) the recipient is registered under Subdivision *d* of Division V of Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15).

1991, c. 67, s. 182; 1997, c. 85, s. 519; 1999, c. 83, s. 312.

**183.** A supply made to a person not resident in Québec of a service of acting as a mandatary of the person or of arranging for, procuring or soliciting orders for supplies by or to the person is a zero-rated supply, to the extent that the service is in respect of

(1) a supply to the person that is provided for in this division;

(2) a supply made outside Québec by or to the person;

(3) *(paragraph repealed)*.

1991, c. 67, s. 183; 1997, c. 85, s. 519; 2021, c. 14, s. 227; 2021, c. 18, s. 181.

**184.** A supply made by a person to a recipient not resident in Québec of an emergency repair service, and of any corporeal movable property supplied in conjunction with the service, in respect of a conveyance or cargo container that is being used or transported by the person in the course of a business of transporting property or passengers, is a zero-rated supply.

1991, c. 67, s. 184; 1997, c. 85, s. 519.

**184.1.** A supply made to a person not resident in Québec who is not registered under Division I of Chapter VIII of an emergency repair service, and of any corporeal movable property supplied in conjunction with the service, in respect of railway rolling stock that is being used in the course of a business of transporting passengers or property, is a zero-rated supply.

1997, c. 85, s. 520.

**184.2.** A supply made to a person not resident in Québec who is not registered under Division I of Chapter VIII of an emergency repair service in respect of, or a service of storing, an empty cargo container, other than

a container less than 6.1 m in length or having an internal capacity less than 14 m<sup>3</sup>, and any corporeal movable property supplied in conjunction with the repair service is a zero-rated supply, to the extent that the cargo container

(1) is used in transporting property to or from Canada and is referred to in subparagraph ii of paragraph *a* of section 6.2 of Part V of Schedule VI to the Excise Tax Act (R.S.C. 1985, c. E-15); or

(2) is used in transporting property to or from Québec and would be referred to in subparagraph ii of paragraph *a* of section 6.2 of Part V of Schedule VI to the Excise Tax Act if the cargo container were from outside Québec.

1997, c. 85, s. 520; 2012, c. 28, s. 58.

**184.3.** A supply of the following services made to a person that is not resident in Québec and is not registered under Division I of Chapter VIII is a zero-rated supply:

(1) a service of refining a metal to produce a precious metal; or

(2) an assaying, gem removal or similar service supplied in conjunction with the service referred to in paragraph 1.

2015, c. 36, s. 203.

**185.** A supply of a service made to a person not resident in Québec is a zero-rated supply, except a supply of

(1) a service made to an individual who is in Québec at any time when the individual has contact with the supplier in relation to the supply;

(1.1) a service that is rendered to an individual while that individual is in Québec;

(2) an advisory, consulting or professional service;

(3) a postal service;

(4) a service in respect of an immovable situated in Québec;

(5) a service in respect of corporeal movable property that is situated in Québec at the time the service is performed;

(6) a service of acting as a mandatary of the person not resident in Québec, except a service of acting as a transfer agent in the case where the person is a corporation resident in Canada, or of arranging for, procuring or soliciting orders for supplies by or to the person;

(7) a transportation service;

(8) a telecommunication service.

1991, c. 67, s. 185; 1994, c. 22, s. 453; 1997, c. 85, s. 521; 2002, c. 9, s. 162.

**186.** A supply of a service of advertising made to a person not resident in Québec who is not registered under Division I of Chapter VIII at the time the service is performed is a zero-rated supply.

1991, c. 67, s. 186.

**187.** A supply made to a person not resident in Québec of an advisory, consulting or research service that is intended to assist the person in taking up residence or establishing a business venture in Québec is a zero-rated supply.

1991, c. 67, s. 187.

**188.** A supply of a patent, industrial design, copyright, invention, trade-mark, trade-name, trade secret or other intellectual property or any right, licence or privilege to use any such property is a zero-rated supply where the recipient is a person not resident in Québec who is not registered under Division I of Chapter VIII at the time the supply is made.

1991, c. 67, s. 188.

**188.1.** A supply of an incorporeal movable property made to a person not resident in Québec who is not registered under Division I of Chapter VIII at the time the supply is made is a zero-rated supply, but does not include

- (1) a supply made to an individual unless the individual is outside Québec at that time;
- (2) a supply of an incorporeal movable property that relates to
  - (a) an immovable situated in Québec,
  - (b) a corporeal movable property ordinarily situated in Québec, or
  - (c) a service the supply of which is made in Québec and is not a zero-rated supply described in any of the sections of this division, of Division VII or of Division VII.2;
- (3) a supply that is the making available to a person of a telecommunications facility that is an incorporeal movable property for use in providing a service described in paragraph 1 of the definition of “telecommunication service” in section 1;
- (4) a supply of an incorporeal movable property that may only be used in Québec; and
- (5) a prescribed supply.

2009, c. 5, s. 612; 2012, c. 28, s. 59.

**189.** A supply of corporeal movable property made by a person operating a duty free shop licensed as such under the Customs Act (Revised Statutes of Canada, 1985, chapter 1, 2nd Supplement) to an individual at a duty free shop for export by the individual is a zero-rated supply.

1991, c. 67, s. 189.

**189.1.** A supply of corporeal movable property made by way of sale to a person operating a duty free shop licensed as such under the Customs Act (Revised Statutes of Canada, 1985, chapter 1, 2nd Supplement), where the person acquires the property as inventory for supply by way of sale at the shop to an individual for export by the individual and the person provides the supplier with the licence number of the shop, is a zero-rated supply.

1995, c. 63, s. 347.

**190.** A supply of corporeal movable property, other than a continuous transmission commodity that is being transported by means of a wire, pipeline or other conduit, is a zero-rated supply if the supplier

- (1) ships the property to a destination outside Québec that is specified in the contract for carriage of the property;



(2) transfers possession of the property to a common carrier or consignee that has been retained, to ship the property to a destination outside Québec, by

(a) the supplier on behalf of the recipient, or

(b) the recipient's employer; or

(3) sends the property by mail or courier to an address outside Québec.

1991, c. 67, s. 190; 1997, c. 85, s. 522; 2001, c. 53, s. 307.

**191.** The following supplies, made to a person not resident in Québec who is not registered under Division I of Chapter VIII, are zero-rated supplies:

(1) a supply of corporeal movable property or of a service performed in respect of corporeal movable property or an immovable where the property or service is acquired by the person for the purpose of fulfilling an obligation of the person under a warranty;

(2) a supply of corporeal movable property where the supply is deemed, under section 327.1, to have been made following a transfer of possession of the property in performance of an obligation of the person under a warranty.

1991, c. 67, s. 191; 1994, c. 22, s. 454; 1995, c. 1, s. 278; 2001, c. 53, s. 308.

**191.1.** For the purposes of section 191.2,

“die” means a solid or hollow form used for shaping materials by stamping, pressing, extruding, drawing or threading;

“fixture” means a device for holding goods in process while working tools are in operation that does not contain any special arrangement for guiding the working tools;

“jig” means a device used in the accurate machining of goods in process by holding the goods firmly and guiding tools exactly to position;

“mould” means a hollow form, matrix or cavity into which materials are placed to produce goods of desired shapes;

“tool” means a device for use in, or attachment to, production machinery that is for the assembling of materials or the working of materials by turning, milling, grinding, polishing, drilling, punching, boring, shaping, shearing, pressing or planing.

1994, c. 22, s. 455.

**191.2.** A supply of property that is a fixture, jig, die, mould or tool, or an interest therein, made to a person not resident in Québec who is not registered under Division I of Chapter VIII at the time the supply is made is a zero-rated supply where the property is to be used directly in the manufacture or production of corporeal movable property for the person.

1994, c. 22, s. 455.

**191.3.** A supply of natural gas made by a person to a recipient who is not registered under Division I of Chapter VIII and who intends to ship the gas outside Québec by pipeline is a zero-rated supply if

(1) the recipient ships the gas outside Québec as soon after it is delivered to the recipient by the supplier of the gas as is reasonable, or, where the recipient receives a supply of a service provided for a period in respect of the gas referred to in section 191.3.3 and subsequently ships the gas outside Québec as soon after it is delivered to the recipient as is reasonable at the end of the period having regard to the circumstances surrounding the shipment outside Québec and, where applicable, to the normal business practice of the recipient;

(2) the gas is not acquired by the recipient for consumption or use in Québec, other than by a carrier as fuel or compressor gas to transport the gas by pipeline, or for supply in Québec, other than to supply natural gas liquids or ethane as described in section 54.3, before the shipment of the gas outside Québec by the recipient;

(3) after the supply is made and before being shipped outside Québec, the gas is not further processed, transformed or altered in Québec, except to the extent reasonably necessary or incidental to its transportation, other than to recover natural gas liquids or ethane from the gas at a straddle plant; and

(4) the person maintains evidence satisfactory to the Minister of the transmission of the gas outside Québec by the recipient.

1994, c. 22, s. 455; 2001, c. 53, s. 309.

**191.3.1.** The following supplies are zero-rated supplies:

(1) a supply of a continuous transmission commodity made by a supplier (in this section referred to as the “first seller”) to a person (in this section referred to as the “first buyer”) who is not registered under Division I of Chapter VIII, if

(a) the first buyer makes a supply of the commodity to a registrant and delivers it in Québec to the registrant,

(b) all or part of the consideration for the first buyer’s supply of the commodity to the registrant is property of the same class or kind delivered to the first buyer outside Québec,

(c) after the commodity is delivered to the first buyer and before the first buyer delivers it to the registrant,

i. the first buyer does not use the commodity except, in the case of natural gas, to the extent that it is used by a carrier as fuel or compressor gas to transport the gas by pipeline, and

ii. the commodity is not, except to the extent reasonably necessary or incidental to its transportation, further processed, transformed or altered other than, in the case of natural gas, to recover natural gas liquids or ethane from the gas at a straddle plant,

(d) after the first seller’s supply is made and before the registrant receives delivery of the commodity, the commodity is not transported by any means other than a wire, pipeline or other conduit, and

(e) the first seller maintains evidence satisfactory to the Minister of the first buyer’s supply of the commodity to the registrant; and

(2) a supply of any service, supplied by the registrant to the first buyer, of arranging for or effecting the exchange of the commodity for the property of the same class or kind, if the first buyer is a person not resident in Québec.

2001, c. 53, s. 310.

**191.3.2.** A particular supply made by a supplier to a recipient who is registered under Division I of Chapter VIII of a continuous transmission commodity is a zero-rated supply if the recipient provides the supplier with a declaration in writing that

(1) the recipient intends to ship the commodity outside Québec by means of a wire, pipeline or other conduit in the circumstances described in paragraphs 1 to 3 of section 191.3 in the case of natural gas, or paragraphs 2 to 4 of section 179 in any other case, or

(2) the recipient intends to supply the commodity in the circumstances described in subparagraphs *a* to *d* of paragraph 1 of section 191.3.1.

The first paragraph applies provided that, if the recipient subsequently neither ships the commodity outside Québec in accordance with subparagraph 1 of the first paragraph nor supplies it in accordance with subparagraph 2 of the first paragraph, it is the case that the supplier did not know, and could not reasonably be expected to have known, at or before the latest time at which tax in respect of the particular supply would have become payable if the supply were not a zero-rated supply, that the recipient would neither so ship the commodity outside Québec nor so supply the commodity.

2001, c. 53, s. 310.

**191.3.3.** A supply made by a person to a recipient not resident in Québec who is not registered under Division I of Chapter VIII of a service of storing natural gas for a period, or of taking up surplus natural gas of the recipient for a period, and returning the gas to the recipient at the end of the period is a zero-rated supply if

- (1) at the end of the period, the gas is to be delivered to the recipient to be shipped outside Québec;
- (2) at the end of the period, where the gas is exported outside Canada, the recipient holds a valid licence or order for the shipment of the natural gas issued under the National Energy Board Act (Revised Statutes of Canada, 1985, chapter N-6); and
- (3) it is not the case that, at or before the latest time at which tax in respect of the supply would have become payable if the supply had not been a zero-rated supply, the person knew or could reasonably be expected to have known either that
  - (a) the recipient would not ship the gas outside Québec as soon after the end of the period as is reasonable, having regard to the circumstances surrounding the shipment outside Québec and, where applicable, to the normal business practice of the recipient, or
  - (b) the gas would not be shipped outside Québec
    - i. in the same measure as was stored or taken up except for any loss due to its use by a carrier as fuel or compressor gas for transporting the gas by pipeline, and
    - ii. in the same state except to the extent of any processing or alteration reasonably necessary or incidental to its transportation or necessary to recover natural gas liquids or ethane from the gas at a straddle plant.

2001, c. 53, s. 310.

**191.3.4.** A supply made by a supplier to a recipient not resident in Québec who is not registered under Division I of Chapter VIII of a service of taking up surplus electricity of the recipient for a period and returning the electricity to the recipient at the end of the period or of deferring delivery of electricity supplied to the recipient at the beginning of a period until the end of the period is a zero-rated supply if

- (1) the electricity is shipped outside Québec by the supplier or recipient
  - (a) in the same measure and state except for any consumption or alteration reasonably necessary or incidental to its transportation, and
  - (b) as soon after the end of the period as is reasonable having regard to the circumstances surrounding the shipment outside Québec and, where applicable, to the normal business practice of the shipper; and
- (2) at the end of the period, where the electricity is exported outside Canada, the requirement under the National Energy Board Act (Revised Statutes of Canada, 1985, chapter N-6), with respect to the holding of a valid licence, order or permit for the export of the electricity issued under that Act, is met.

2001, c. 53, s. 310.

**191.4.** A supply made to a person not resident in Québec of a custodial or nominee service in respect of securities or precious metals of the person is a zero-rated supply.

1994, c. 22, s. 455; 1997, c. 85, s. 523.

**191.5.** A supply made to a person not resident in Québec, other than an individual, who is not registered under Division I of Chapter VIII that consists in providing an individual not resident in Québec with, or in administering an examination in respect of, an educational service leading to a certificate, diploma, permit or similar document, or a class or rating in respect of a licence, that attests to the competence of the individual to whom the service is rendered or the examination is administered to practise a trade or vocation, is a zero-rated supply.

1994, c. 22, s. 455.

**191.6.** A supply made to a person not resident in Québec who is not registered under Division I of Chapter VIII of a service of destroying or discarding corporeal movable property is a zero-rated supply.

1994, c. 22, s. 455.

**191.7.** A supply made to a person not resident in Québec who is not registered under Division I of Chapter VIII of a service of dismantling property for the purpose of shipping the property outside Québec is a zero-rated supply.

1994, c. 22, s. 455.

**191.8.** A supply made to a person not resident in Québec who is not registered under Division I of Chapter VIII of a service of testing or inspecting corporeal movable property that is acquired in or brought into Québec for the sole purpose of having the service performed and that is to be destroyed or discarded in the course of providing, or on completion of, the service, is a zero-rated supply.

1994, c. 22, s. 455.

**191.9.** A supply of a postal service is a zero-rated supply where the supply is made, by a registrant who carries on the business of supplying postal services, to a person not resident in Québec who is not a registrant and who carries on such a business.

1994, c. 22, s. 455; 1997, c. 85, s. 524.

**191.9.1.** A supply of a telecommunication service where the supply is made, by a registrant who carries on the business of supplying telecommunication services, to a person not resident in Québec who is not a registrant and who carries on such a business, but not including a supply of a telecommunication service where the telecommunication is emitted and received in Québec, is a zero-rated supply.

1997, c. 85, s. 525.

**191.10.** A supply of an advisory, consulting or professional service made to a person not resident in Québec is a zero-rated supply, except a supply of

(1) a service rendered to an individual in connection with criminal, civil or administrative litigation in Québec, other than a service rendered before the commencement of such litigation;

(2) a service in respect of an immovable situated in Québec;

(3) a service in respect of corporeal movable property that is situated in Québec at the time the service is performed; or

(4) a service of acting as a mandatary of the person or of arranging for, procuring or soliciting orders for supplies by or to the person.

1994, c. 22, s. 455; 1997, c. 85, s. 526.

**191.10.1.** A supply of a service of rendering to individuals technical or customer support by means of telecommunications if the supply is made to a person not resident in Québec that is not registered under Division I of Chapter VIII and is not a consumer of the service is a zero-rated supply, but not including a supply of

(1) an advisory, consulting or professional service; or

(2) a service of acting as a mandatary of the person or of arranging for, procuring or soliciting orders for supplies by or to the person.

2019, c. 14, s. 545.

**191.11.** For the purposes of this division, a floating home and a mobile home that is not affixed to land are each deemed to be corporeal movable property and not immovable property.

1994, c. 22, s. 455.

## DIVISION VI

### TRAVEL SERVICE

**192.** A supply of the part of a tour package that is not the taxable portion of the package is a zero-rated supply.

Section 63 applies to this section.

1991, c. 67, s. 192.

## DIVISION VI.1

*Repealed, 1997, c. 14, s. 335.*

1995, c. 1, s. 279; 1997, c. 14, s. 335.

**192.1.** *(Repealed).*

1995, c. 1, s. 279; 1997, c. 14, s. 335.

**192.2.** *(Repealed).*

1995, c. 1, s. 279; 1997, c. 14, s. 335.

## DIVISION VII

### TRANSPORTATION SERVICE

**193.** For the purposes of this division,

“continuous freight movement” means the transportation of corporeal movable property by one or more carriers to a destination specified by the shipper of the property, where all freight transportation services supplied by the carriers are supplied as a consequence of instructions given by the shipper of the property;

“continuous journey” of an individual or a group of individuals means the set of all passenger transportation services provided to the individual or group

(1) and for which a single ticket or voucher in respect of all the services is issued, or

(2) where two or more tickets or vouchers are issued in respect of two or more legs of a single journey of the individual or group on which there is no stopover between any of the legs of the journey for which separate tickets or vouchers are issued, and all the tickets or vouchers are issued by the same supplier or by two or more suppliers through one mandatary acting on behalf of all the suppliers where

(a) all such tickets or vouchers are issued at the same time and evidence satisfactory to the Minister is maintained by the supplier or mandatary that there is no stopover between any of the legs of the journey for which separate tickets or vouchers are issued, or

(b) the tickets or vouchers are issued at different times and evidence satisfactory to the Minister is submitted by the supplier or mandatary that there is no stopover between any of the legs of the journey for which separate tickets or vouchers are issued;

“continuous outbound freight movement” means the transportation of corporeal movable property by one or more carriers from a place in Québec to a place outside Québec, or to another place in Québec from which the property is to be taken outside Québec, where, after the shipper of the property transfers possession of the property to a carrier and before the property is taken outside Québec, it is not, except to the extent that is reasonably necessary or incidental to its transportation, further processed, transformed or altered in Québec, other than, in the case of natural gas being transported by pipeline, to recover natural gas liquids or ethane from the gas at a straddle plant;

“corporeal movable property” includes money;

“destination”, in respect of a continuous freight movement of property, means a place specified by the shipper of the property where possession of the property is transferred to the person to whom the property is consigned or addressed by the shipper;

“freight transportation service” means a particular service of transporting corporeal movable property and includes a service of delivering mail, a service of driving an automotive vehicle designed or adapted to be used on highways and streets for the purpose of delivering the vehicle to a destination and any other property or service supplied to the recipient of the particular service by the person who supplies the particular service, where the other property or service is part of or incidental to the particular service, whether or not there is a separate charge for the other property or service, but does not include a service provided by the supplier of a passenger transportation service of transporting an individual’s baggage in connection with the passenger transportation service;

“origin” means

(1) in respect of a continuous freight movement, the place where the first carrier that engaged in the continuous freight movement takes possession of the property being transported; and

(2) in respect of a continuous journey, the place where the passenger transportation service that is included in the continuous journey and that is first provided begins;

“place outside Canada”, in respect of a freight transportation service, includes at a particular time a place in Canada if, at that time, the property being transported has been imported but has not been released, within the meaning of the Customs Act (R.S.C. 1985, c. 1 (2nd Suppl.)) and the property is being transported in compliance with that Act or any other Act of Parliament that prohibits, controls or regulates the importation of goods within the meaning of the Customs Act;

“shipper” of corporeal movable property means the person who, in respect of a continuous freight movement or a continuous outbound freight movement, transfers possession of the property being shipped to a carrier at the origin of the freight movement and, for greater certainty, does not include a person who is a carrier of the property to which the freight movement relates;

“stopover”, in respect of a continuous journey of an individual or a group of individuals, means any place at which the individual or group embarks or disembarks a conveyance used in the provision of a passenger transportation service included in the continuous journey, for any reason other than transferring to another conveyance, or allowing for servicing or refuelling of the conveyance;

“termination” of a continuous journey means the place where the passenger transportation service that is included in the continuous journey and that is last provided ends.

1991, c. 67, s. 193; 1994, c. 22, s. 456; 1997, c. 85, s. 527; 2001, c. 53, s. 311; 2023, c. 2, s. 84; 2024, c. 41, s. 203.

**194.** The following are zero-rated supplies:

(1) a supply of a passenger transportation service that is provided to an individual or a group of individuals and that is part of a continuous journey of the individual or group where

(a) the origin, termination or stopover forming part of the continuous journey is outside Canada; or

(b) *(subparagraph repealed)*;

(c) the origin of the continuous journey is in Québec, its termination is in Canada but outside Québec and, at the time the journey begins, the individual or group is scheduled to disembark a conveyance used for the provision of the service in a place outside Canada to transfer to another conveyance used for the provision of the service;

(d) *(subparagraph repealed)*;

(2) a supply of any of the following services made by a person in connection with the supply by that person of a passenger transportation service included in paragraph 1:

(a) a service of transporting an individual's baggage, and

(b) a service of supervising an unaccompanied child;

(3) *(paragraph repealed)*;

(4) a supply by a person of a service of issuing, delivering, amending, replacing or cancelling a ticket, voucher or reservation for a supply by that person of a passenger transportation service that would, if it were completed in accordance with the agreement for that supply, be included in paragraph 1;

(5) a supply to a person of a service of acting as a mandatary in making a supply on behalf of that person of a service that would, if it were completed in accordance with the agreement for that supply, be included in paragraph 1.

1991, c. 67, s. 194; 1993, c. 19, s. 186; 1997, c. 85, s. 528; 2001, c. 53, s. 312; 2011, c. 1, s. 136.

**195.** Paragraph 1 of section 194 does not apply in respect of a passenger transportation service that is part of a continuous journey, other than a continuous journey that includes transportation by air, where both the origin and the termination of the journey are in Québec and, at the time the journey begins, the individual or group is not scheduled to be outside Canada for an uninterrupted period of at least 24 hours.

1991, c. 67, s. 195.

**196.** For the purposes of this division, where in respect of a continuous freight movement several carriers supply freight transportation services in the course of the continuous freight movement, and the shipper or the consignee of the property is, under the contract of carriage for the continuous freight movement, required to pay a particular carrier that is one of those carriers a particular amount that is part or all of the consideration for the freight transportation services supplied by those several carriers, the following rules apply:

(1) the particular carrier is deemed to have made a supply of a freight transportation service, having the same destination as the continuous freight movement, to the shipper or consignee, as the case may be, for consideration equal to the particular amount, whether or not the particular amount includes an amount paid to the particular carrier as mandatary of any of the other several carriers;

(2) the shipper or consignee, as the case may be, is deemed to have received a supply of a freight transportation service from the particular carrier for consideration equal to the particular amount and not to have received a freight transportation service from any of the other several carriers; and

(3) to the extent that any part of the particular amount is paid by one of the several carriers (in this paragraph referred to as the “first carrier”) to another of the several carriers, the first carrier is deemed to be the recipient of freight transportation services supplied by the other carriers in relation to the continuous freight movement and, to the same extent, the other carriers are deemed to have supplied those freight transportation services to the first carrier and not to the shipper or consignee.

1991, c. 67, s. 196; 1997, c. 85, s. 529.

**197.** The following are zero-rated supplies:

(1) *(paragraph repealed)*;

(2) a supply made by a carrier of a freight transportation service in respect of the transportation of corporeal movable property from a place in Québec to another place in Québec, where

(a) the shipper of the property provides the carrier with a declaration in prescribed form informing the carrier that the property is being shipped outside Québec and that the freight transportation service to be supplied by the carrier is part of a continuous outbound freight movement in respect of the property, except where the property is intended to be shipped to a place in Canada;

(b) the property is taken outside Québec and the service is part of a continuous outbound freight movement in respect of the property; and

(c) the value of the consideration for the supply is \$5 or more;

(3) *(paragraph repealed)*;

(4) a supply of a freight transportation service in respect of the transportation of corporeal movable property from a place outside Canada to a place in Québec;

(5) *(paragraph repealed)*;

(5.1) *(paragraph repealed)*;

(6) a supply of a freight transportation service from a place in Canada to a place in Québec that is part of a continuous freight movement from an origin outside Canada to a destination in Québec, where the supplier of the service maintains documentary evidence satisfactory to the Minister that the service is part of a continuous freight movement from an origin outside Canada to a destination in Québec;

(7) a supply of a freight transportation service made by a carrier of the property being transported to a second carrier of the property being transported, where the service is part of a continuous freight movement and the second carrier is neither the shipper nor the consignee of the property being transported;

(8) a supply of a service of acting as a mandatary for a person not resident in Québec who is not registered under Division I of Chapter VIII at the time the supply is made, to the extent that the service is in respect of a supply to that person of a freight transportation service that is described in any of paragraphs 2 to 6;

(9) a supply by a licensee under paragraph a of subsection 1 of section 24 of the Customs Act (R.S.C. 1985, c. 1 (2nd Suppl.)) of a service of warehousing goods imported into Canada at a sufferance warehouse operated by the licensee, where the purpose of the service is to enable examination of the goods before their release, within the meaning of the said Act; and



(10) a supply of a service of ferrying by watercraft passengers or property to or from a place outside Québec, where the principal purpose of the ferrying is to transport motor vehicles and passengers between parts of a road or highway system that are separated by a stretch of water.

1991, c. 67, s. 197; 1994, c. 22, s. 457; 1995, c. 63, s. 349; 1997, c. 85, s. 530; 2011, c. 6, s. 248; 2012, c. 28, s. 60; 2015, c. 21, s. 661; 2017, c. 29, s. 251.

**197.1.** A supply of an air ambulance service made by a person who carries on the business of supplying air ambulance services, where the transportation is to or from a place outside Québec, is a zero-rated supply.

1997, c. 85, s. 531.

## **DIVISION VII.1**

### **MOTOR VEHICLE ACQUIRED TO BE RESUPPLIED**

2001, c. 51, s. 269.

**197.2.** A supply of a motor vehicle by way of sale made to a person who is registered under Division I of Chapter VIII and who receives the motor vehicle only to again make a supply of it by way of sale or by way of lease under an agreement under which continuous possession or use of the vehicle is provided to a person for a period of at least one year is a zero-rated supply.

For the purposes of this section, “sale” has the meaning assigned by section 1 but does not include a gift.

2001, c. 51, s. 269.

## **DIVISION VII.2**

### **FINANCIAL SERVICE**

2012, c. 28, s. 61.

**197.3.** A supply of a financial service (other than a supply described in section 197.4) made by a financial institution to a person not resident in Canada is a zero-rated supply, unless the service relates to

(1) a debt that arises from

(a) the deposit of funds in Canada, if the instrument issued as evidence of the deposit is a negotiable instrument, or

(b) the lending of money that is primarily for use in Canada;

(2) a debt for all or part of the consideration for a supply of an immovable that is situated in Canada;

(3) a debt for all or part of the consideration for a supply of a movable property that is for use primarily in Canada;

(4) a debt for all or part of the consideration for a supply of a service that is to be performed primarily in Canada; or

(5) a financial instrument (other than an insurance policy or a precious metal) acquired, otherwise than directly from an issuer not resident in Canada, by the financial institution acting as a mandatary.

2012, c. 28, s. 61.

**197.4.** A supply made by a financial institution of a financial service that relates to an insurance policy issued by the institution (other than a service that relates to investments made by the institution) is a zero-rated supply to the extent that

(1) in the case where the policy is a life or accident and sickness insurance policy (other than a group insurance policy), the policy is issued in respect of an individual who is not resident in Canada at the time the policy becomes effective;

(2) in the case where the policy is a group life or accident and sickness insurance policy, the policy relates to individuals not resident in Canada who are insured under the policy;

(3) in the case where the policy is an insurance policy in respect of an immovable, the policy relates to an immovable situated outside Canada; and

(4) in the case where the insurance policy is an insurance policy of any other kind, the policy relates to risks that are ordinarily situated outside Canada.

2012, c. 28, s. 61.

**197.5.** A supply of a financial service that is the supply of precious metals in the case where the supply is made by the refiner or by the person on whose behalf the precious metals were refined is a zero-rated supply.

2012, c. 28, s. 61.

**197.6.** For the purposes of sections 197.3 and 197.4, a person not resident in Canada is deemed to be resident in Canada in respect of any supply that is made to the person by a selected listed financial institution in the following cases:

(1) where the financial institution is a stratified investment plan, the supply is made in respect of units of a series of the financial institution that are held by the person in a fiscal year of the financial institution throughout which no election under the first paragraph of section 433.19.15 or under subsection 6 of section 225.4 of the Excise Tax Act (R.S.C. 1985, c. E-15) is in effect in respect of the series;

(2) where the financial institution is a non-stratified investment plan, the supply is made in respect of units of the financial institution that are held by the person in a fiscal year of the financial institution throughout which no election under the second paragraph of section 433.19.15 or under subsection 7 of section 225.4 of the Excise Tax Act is in effect; or

(3) where the financial institution is an investment plan that is a pension entity of a pension plan or a private investment plan and the person is a plan member, the supply is made in respect of the person in a fiscal year of the financial institution throughout which no election under the third paragraph of section 433.19.15 or under subsection 7 of section 225.4 of the Excise Tax Act is in effect.

2015, c. 21, s. 662.

## **DIVISION VIII**

### **OTHER ZERO-RATED SUPPLIES**

**198.** A supply of an admission to a convention, other than an admission to a foreign convention, made by a sponsor of the convention to a person not resident in Québec is a zero-rated supply.

1991, c. 67, s. 198; 1994, c. 22, s. 458; 2012, c. 28, s. 62; 2015, c. 21, s. 663.

**198.0.1.** For the purposes of paragraph 1.1 of section 198.1, “read-only medium” means a corporeal medium that is designed for the read-only storage of information and other material in digital format.

2011, c. 34, s. 143.

**198.1.** The following are zero-rated supplies:

(1) a supply of a printed book, or its updating, identified by an International Standard Book Number (ISBN) assigned according to the international book numbering system;

(1.1) a supply, for a single consideration, of a property consisting in a printed book, or its updating, identified by an International Standard Book Number (ISBN) assigned according to the international book numbering system and a read-only medium or a right to access a website if

(a) the printed book, or its updating, and the read-only medium or the right to access a website are wrapped, packaged, combined or otherwise prepared to be supplied together and are the only components of the supply; and

(b) it is reasonable to consider that the printed book, or its updating, is the main component of the supply; and

(2) a supply of a talking book or of its carrier, acquired by a person as a result of a visual handicap.

1997, c. 14, s. 336; 2011, c. 34, s. 144.

**198.2.** A supply of tobacco or raw tobacco within the meaning of the Tobacco Tax Act (chapter I-2) is a zero-rated supply.

1999, c. 83, s. 313; 2009, c. 15, s. 502.

**198.3.** For the purposes of section 198.4,

“item used for bottle-feeding” means feeding bottles or their components, including the disposable bags required for certain types of bottles;

“item used for breast-feeding” means nursing bras, breast pumps or their components, nursing pads, nipple shields and other similar items designed specially to facilitate breast-feeding.

2005, c. 1, s. 355.

**198.4.** A supply of an item used for bottle-feeding or of an item used for breast-feeding is a zero-rated supply.

2005, c. 1, s. 355.

**198.5.** The following supplies are zero-rated supplies:

(1) a supply of diapers or training pants designed specially for children;

(2) a supply of waterproof pants designed specially to be worn over the diapers referred to in paragraph 1, where such diapers are washable; and

(3) a supply of absorbent linings or biodegradable paper products designed specially as accessories for the diapers referred to in paragraph 1, where such diapers are washable.

2005, c. 1, s. 355.

**198.6.** A supply of a product that is a sanitary napkin, tampon, sanitary belt, menstrual cup or other similar product and that is marketed exclusively for feminine hygiene is a zero-rated supply.

2017, c. 1, s. 447.

**198.7.** *(Repealed).*

2021, c. 36, s. 190; 2025, c. 27, s. 166.

## CHAPTER V

### INPUT TAX REFUND

#### DIVISION I

##### GENERAL PRINCIPLES

**199.** Where property or a service is supplied to or brought into Québec by a person and, during a reporting period of the person during which the person is a registrant, tax in respect of the supply or bringing into Québec of the property or service becomes payable by the person or is paid by the person without having become payable, the amount determined by the following formula is an input tax refund of the person in respect of the property or service for the period:

$A \times B.$

For the purposes of this formula,

(1) A is the tax in respect of the supply or bringing into Québec of the property or service that becomes payable by the person during the reporting period or that is paid by the person during the period without having become payable; and

(2) B is

(a) where the tax is deemed under section 252 to have been paid in respect of the property on the last day of a taxation year of the person, the extent, expressed as a percentage of the total use of the property in the course of commercial activities and businesses of the person during that taxation year, to which the person used the property in the course of commercial activities of the person during that taxation year;

(b) where the property or service is acquired or brought into Québec by the person for use in improving capital property of the person, the extent, expressed as a percentage, to which the person was using the capital property in the course of commercial activities of the person immediately after the capital property or a portion thereof was last acquired or brought into Québec by the person; and

(c) in any other case, the extent, expressed as a percentage, to which the person acquired or brought into Québec the property or service for consumption, use or supply in the course of commercial activities of the person.

Notwithstanding the first paragraph, the input tax refund of a person in respect of a motor vehicle supplied to the person by way of retail sale is the amount determined pursuant to section 199.0.1.

1991, c. 67, s. 199; 1994, c. 22, s. 459; 1997, c. 85, s. 532; 2001, c. 51, s. 270.

**199.0.0.1.** No amount may be included in determining an input tax refund of a person in respect of tax that became payable by the person under section 16, or, to the extent that the tax relates to a corporeal property the person brings into Québec from outside Canada, under section 17, while the person is a selected listed financial institution unless

(1) the amount is deemed to have been paid by the person under any of sections 207, 210.3, 256, 257, 264 and 265;

(2) the amount is a prescribed amount of tax for the purposes of subparagraph *a* of subparagraph 6 of the second paragraph of section 433.16 or of subparagraph *a* of subparagraph 4 of the second paragraph of section 433.16.2;

(3) the person is permitted to claim an input tax refund under section 233 or 234; or

(4) the amount is a prescribed amount of tax.

2012, c. 28, s. 63; 2015, c. 21, s. 664.

**199.0.1.** Where a motor vehicle is supplied to a person by way of retail sale and, during a reporting period of the person during which the person is a registrant, tax in respect of the supply is paid by the person, the amount determined by the following formula is an input tax refund of the person in respect of the motor vehicle for the period:

$A \times B$ .

For the purposes of the formula,

(1) *A* is the tax in respect of the supply that is paid by the person during the reporting period; however, the tax paid by the person in respect of a retail sale referred to in paragraph 2 of the definition of “retail sale” in section 1 is deemed to be nil;

(2) *B* is the percentage determined under subparagraph 2 of the second paragraph of section 199.

2001, c. 51, s. 271.

**199.0.2.** *(Repealed).*

2009, c. 5, s. 613; 2021, c. 18, s. 182.

**199.0.3.** *(Repealed).*

2009, c. 5, s. 613; 2010, c. 25, s. 246; 2021, c. 18, s. 182.

**199.1.** Where a person acquires or brings into Québec property or a service partly for use in improving capital property of the person and partly for another purpose, for the purpose of determining an input tax refund of the person in respect of the property or service, the following rules apply:

(1) despite section 34, that part of the property or service that is acquired or brought into Québec for use in improving the capital property and the remaining part of the property or service are each deemed to be a separate property or service that does not form part of the other;

(2) the tax payable in respect of the supply or bringing into Québec of that part of the property or service that is acquired or brought into Québec for use in improving the capital property is deemed to be equal to the amount determined by the formula

$A \times B$ ; and

(3) the tax payable in respect of that part of the property or service that is not for use in improving the capital property is deemed to be equal to the difference between the tax payable (in this section referred to as the “total tax payable”) by the person in respect of the supply or bringing into Québec of the property or service, determined without reference to this section, and the amount determined under subparagraph 2.

For the purposes of the formula in subparagraph 2 of the first paragraph,

(1) A is the total tax payable; and

(2) B is the extent, expressed as a percentage, to which the total consideration paid or payable by the person for the supply in Québec of the property or service or the value of the property brought into Québec is or would be, if the person were a taxpayer within the meaning of the Taxation Act (chapter I-3), included in determining the adjusted cost base to the person of the capital property for the purposes of that Act.

1994, c. 22, s. 460; 1997, c. 85, s. 533; 2012, c. 28, s. 64.

**199.2.** *(Repealed).*

1994, c. 22, s. 460; 1997, c. 85, s. 534.

**199.3.** *(Repealed).*

1994, c. 22, s. 460; 1997, c. 85, s. 534.

**199.4.** *(Repealed).*

1994, c. 22, s. 460; 1994, c. 22, s. 461.

**200.** *(Repealed).*

1991, c. 67, s. 200; 1994, c. 22, s. 462.

**201.** A registrant may not claim an input tax refund for a reporting period unless, before filing the return in which the refund is claimed,

(1) the registrant obtained sufficient evidence in such form containing such information as will enable the amount of the refund to be determined, including any such information as may be prescribed; and

(2) where the input tax refund is in respect of property or a service supplied to the registrant in circumstances in which the registrant is required to report the tax payable in respect of the supply in a return filed with the Minister under this Title, the registrant has so reported the tax in a return filed under this Title.

Furthermore, where the input tax refund is in respect of a motor vehicle supplied to the registrant by way of retail sale, the registrant shall obtain a document issued by the person required to collect the tax payable in respect of the supply certifying that the tax has been paid by the registrant.

1991, c. 67, s. 201; 1994, c. 22, s. 463; 1997, c. 85, s. 535; 2001, c. 51, s. 272.

**202.** Where the Minister is satisfied that there are or will be sufficient records or supporting documents available to establish the particulars of any supply or bringing into Québec or of any supply or bringing into Québec of a specific class and the tax paid or payable in respect of the supply or bringing into Québec, the Minister may

(1) exempt a specified registrant, a specified class of registrants or registrants generally from any of the requirements of section 201 in respect of that supply or bringing into Québec or a supply or bringing into Québec of that class; and

- (2) specify terms and conditions of the exemption.

1991, c. 67, s. 202; 1994, c. 22, s. 464; 2000, c. 25, s. 27.

**202.1.** In determining an input tax refund of a registrant that is a clothing manufacturer within the meaning of section 350.48, no amount shall be included in respect of the tax payable by the registrant in respect of a supply referred to in section 350.49, unless the registrant files in accordance with that section the information return referred to therein in which the registrant declares the amount and all other information required in relation to the supply.

2002, c. 9, s. 163.

**203.** In determining an input tax refund of a registrant, no amount shall be included in respect of the tax payable by the registrant in respect of the following supplies made to, or brought into Québec by, the registrant:

(1) a supply of a membership, or a right to acquire a membership, in a club the main purpose of which is to provide recreational, sporting or dining facilities, except where the registrant acquires the membership or right, as the case may be, exclusively for supply in the course of a business of the registrant of supplying such memberships or rights;

(1.1) a supply or bringing into Québec of property or a service that is acquired or brought into Québec by the registrant for consumption or use by the registrant, or, where the registrant is a partnership, an individual who is a member of the partnership, in relation to any part (in this section and in section 457.2 referred to as the “work space”) of a self-contained domestic establishment in which the registrant or the individual, as the case may be, resides unless the work space

(a) is the principal place of business of the registrant, or

(b) is used exclusively for the purpose of earning income from a business and is used on a regular and continuous basis for meeting clients, customers or patients of the registrant in respect of the business;

(2) a supply or the bringing into Québec of property or a service that is acquired or brought in by the registrant at any time in or before a reporting period of the registrant exclusively for the personal consumption, use or enjoyment (in this section and in section 204 referred to as the “benefit”) in that period of a particular individual who was, is or agrees to become an officer or employee of the registrant, or of another individual related to the particular individual;

(3) a supply made in or before a reporting period of the registrant of property, by way of lease, licence or similar arrangement, primarily for the personal consumption, use or enjoyment in that period of

(a) where the registrant is an individual, the registrant or another individual related to the registrant;

(b) where the registrant is a partnership, an individual who is a member of the partnership or another individual who is an employee, officer or shareholder of, or related to, a member of the partnership;

(c) where the registrant is a corporation, an individual who is a shareholder of the corporation or another individual related to the shareholder; and

(d) where the registrant is a trust, an individual who is a beneficiary of the trust or another individual related to the beneficiary;

(4) a supply or bringing into Québec of property or a service that is acquired or brought into Québec, in the circumstances set out in section 345.2, in respect of the consumption by an individual of food or beverages or in respect of the enjoyment by the individual of entertainment.

1991, c. 67, s. 203; 1994, c. 22, s. 465; 1997, c. 85, s. 536; 2004, c. 21, s. 529.

**204.** Paragraph 2 of section 203 does not apply in the following cases:

(1) the registrant makes a taxable supply of the property or service to the particular individual or the other individual for consideration that becomes due in that period and that is equal to the fair market value of the property or service at the time the consideration becomes due; or

(2) if no amount were payable for the benefit by the particular individual who was, is or agrees to become an officer or employee of the registrant, no amount would be included under sections 34 to 47.17 of the Taxation Act (chapter I-3) in respect of the benefit in computing the income of the particular individual.

Similarly, paragraph 3 of section 203 does not apply where the registrant makes a taxable supply of the property in that period to such an individual for consideration that becomes due in that period and that is equal to the fair market value of the supply at the time the consideration becomes due.

1991, c. 67, s. 204.

**205.** *(Repealed).*

1991, c. 67, s. 205; 1997, c. 85, s. 537.

**206.** In determining an input tax refund of a registrant, no amount shall be included in respect of the tax payable by the registrant in respect of the supply or bringing into Québec of property or a service, except to the extent that

(1) the consumption or use of property or a service of such quality, nature or cost is reasonable in the circumstances, having regard to the nature of the commercial activities of the registrant; and

(2) the value of the consideration for the supply of the property or service or, in the case of the bringing into Québec of the property or service, the value of the property is reasonable in the circumstances.

1991, c. 67, s. 206.

**206.0.1.** *(Repealed).*

2011, c. 34, s. 145; 2012, c. 28, s. 65.

**206.1.** *(Repealed).*

1993, c. 19, s. 187; 1995, c. 63, s. 350.

**206.2.** *(Repealed).*

1993, c. 19, s. 187; 1995, c. 63, s. 350.

**206.3.** *(Repealed).*

1993, c. 19, s. 187; 1995, c. 63, s. 350.

**206.3.1.** *(Repealed).*

1994, c. 22, s. 466; 1995, c. 63, s. 350.

**206.4.** *(Repealed).*

1993, c. 19, s. 187; 1995, c. 63, s. 350.

**206.5.** *(Repealed).*

1993, c. 19, s. 187; 1995, c. 63, s. 350.



**206.6.** *(Repealed).*

1994, c. 22, s. 467; 1995, c. 63, s. 350.

**206.7.** *(Repealed).*

1995, c. 63, s. 351; 1997, c. 14, s. 378; 2000, c. 39, s. 297; 1995, c. 63, s. 352.

## **DIVISION II**

### **SPECIAL RULES**

§ 1. — *Becoming and ceasing to be registrant*

**207.** Where at any time a person becomes a registrant and immediately before that time the person was a small supplier, for the purpose of determining an input tax refund of the person, the following rules apply:

(1) the person is deemed to have received, at that time, a supply by way of sale of each property of the person that was held immediately before that time for consumption, use or supply in the course of commercial activities of the person; and

(2) the person is deemed to have paid, at that time, tax in respect of the supply equal to the basic tax content of the property at that time.

1991, c. 67, s. 207; 1994, c. 22, s. 468; 1997, c. 85, s. 538.

**208.** Where at any time a person becomes a registrant, the following rules apply in determining the input tax refund of the person for the first reporting period of the person ending after that time,

(1) there may be included the total of any tax that became payable by the person before that time, to the extent that the tax was payable in respect of a service to be supplied to the person after that time for consumption, use or supply in the course of commercial activities of the person or was calculated on the value of consideration that is a rent, royalty or similar payment attributable to a period after that time in respect of property that is used in the course of commercial activities of the person; and

(2) there shall not be included any tax that becomes payable by the person after that time, to the extent that the tax is payable in respect of a service supplied to the person before that time or is calculated on the value of consideration that is a rent, royalty or similar payment attributable to a period before that time.

1991, c. 67, s. 208; 1997, c. 85, s. 539.

**209.** Where a person ceases at any time to be a registrant, the following rules apply:

(1) the person is deemed

(a) to have made, immediately before that time, a supply of each property of the person, other than capital property, that immediately before that time was held by the person for consumption, use or supply in the course of commercial activities of the person and to have collected, immediately before that time, tax in respect of the supply, calculated on the fair market value of the property at that time, and

(b) to have received, at that time, a supply of the property by way of sale and to have paid, at that time, tax in respect of the supply equal to the amount determined under subparagraph *a*; and

(2) where the person was, immediately before that time, using capital property of the person in commercial activities of the person, the person is deemed to have, immediately before that time, ceased using the property in commercial activities.

1991, c. 67, s. 209; 1993, c. 19, s. 188; 1994, c. 22, s. 469; 1995, c. 63, s. 353.

**210.** Where a person who engages in commercial activities ceases at any time to be a registrant, the following rules apply:

(1) in determining the input tax refund of the person for the last reporting period of the person beginning before that time, there may be included the total of any tax that becomes payable by the person after that time, to the extent that the tax is payable in respect of a service that was supplied to the person before that time for consumption, use or supply in the course of commercial activities of the person or is calculated on the value of consideration that is a rent, royalty or similar payment attributable to a period before that time in respect of property that is used in the course of commercial activities of the person; and

(2) in determining the net tax of the person for the last reporting period of the person beginning before that time, there shall be added to the total for A in the formula set out in section 428 any input tax refund claimed by the person before that time, to the extent that it relates to a service to be supplied to the person after that time or to the value of consideration that is a rent, royalty or similar payment attributable to a period after that time.

1991, c. 67, s. 210; 1997, c. 85, s. 540.

**210.1.** Sections 207 to 210 do not apply where sections 210.2 to 210.4 apply.

Section 209 does not apply to property held by a person immediately before the person ceases to be a registrant where sections 297.2, 297.7.1, 297.7.5 and 297.7.6 applied in respect of that property at an earlier time.

1994, c. 22, s. 470; 1995, c. 63, s. 354.

§ 1.1. — *Taxi Business*

1994, c. 22, s. 470.

**210.2.** Where at any time a person who is a small supplier is engaged in a taxi business and other commercial activities in Québec, other than the supply by way of sale of an immovable, and the registration of the person does not apply to those other activities, the following rules apply:

(1) the person is deemed not to be a registrant at that time except in respect of the taxi business and anything done by the person in the course of that business or in connection with it; and

(2) for the purposes of sections 199 to 202 and subdivision 5, the other activities of the person are deemed not to be commercial activities of the person at that time.

1994, c. 22, s. 470.

**210.3.** Where at any time a person is engaged in a taxi business and other commercial activities in Québec, other than the supply by way of sale of an immovable, and the person's registration begins, at that time, to apply to those other activities, the following rules apply:

(1) for the purpose of determining an input tax refund of the person, the person is deemed to have received, at that time, a supply by way of sale of each property of the person, other than capital property, that was held immediately before that time for consumption, use or supply in the course of those other activities and to have paid, at that time, tax in respect of the supply equal to the basic tax content of the property at that time; and

(2) for the purpose of determining the input tax refund of the person for the reporting period that includes that time, there may be included the total of any tax that became payable by the person before that time, to the extent that the tax is calculated on consideration, or a part thereof,

(a) that is reasonably attributable to a service that is to be rendered to the person after that time and that was acquired by the person for consumption, use or supply in the course of those other activities, or

(b) that is a rent, royalty or similar payment in respect of property and that is reasonably attributable to a period after that time during which the property is used in the course of those other activities.

1994, c. 22, s. 470; 1997, c. 85, s. 541.

**210.4.** Where at any time a person is engaged in a taxi business and other commercial activities in Québec, other than the supply by way of sale of an immovable, and the person's registration ceases, at that time, to apply to those other activities, the following rules apply:

(1) the person is deemed

(a) to have made, immediately before that time, a supply of each property of the person, other than capital property, that was held immediately before that time for consumption, use or supply in the course of those other activities and to have collected, immediately before that time, tax in respect of the supply, calculated on the fair market value of the property at that time, and

(b) to have received, at that time, a supply of the property by way of sale and to have paid, at that time, tax in respect of the supply equal to the amount determined under subparagraph *a*;

(2) in determining the input tax refund of the person for the reporting period that includes that time, there may be included tax that becomes payable by the person after that time, to the extent that the tax is calculated on consideration, or a part thereof,

(a) that is reasonably attributable to a service that was rendered to the person before that time and that was acquired by the person for consumption, use or supply in the course of those other activities, or

(b) that is a rent, royalty or similar payment in respect of property and that is reasonably attributable to a period before that time during which the property was used in the course of those other activities; and

(3) an amount shall be added in determining the net tax for the reporting period of the person that includes that time where, in determining an input tax refund claimed by the person in a return under section 468 for a reporting period ending before that time, there was included an amount in respect of tax calculated on consideration, or a part thereof,

(a) that is reasonably attributable to services that are to be rendered to the person after that time, or

(b) that is a rent, royalty or similar payment in respect of property and that is reasonably attributable to a period (in this section referred to as the "lease period") after that time.

For the purposes of subparagraph 3 of the first paragraph, the amount shall be added in determining the net tax to the extent to which the property is used by the person during the lease period, or the services were acquired by the person for consumption, use or supply, in the course of those other activities.

1994, c. 22, s. 470; 1995, c. 63, s. 355.

**210.5.** *(Repealed).*

1994, c. 22, s. 470; 1995, c. 63, s. 356.

#### § 1.2. — *Retail vendor of tobacco*

1995, c. 47, s. 8.

**210.6.** Sections 210.2 to 210.5, adapted as required, apply to every small supplier who is required to register pursuant to section 407.2.

1995, c. 47, s. 8.

§ 1.3. — *Supplier of alcoholic beverages*

1995, c. 63, s. 357.

**210.7.** Sections 210.2 to 210.5 apply, with the necessary modifications, to every small supplier who is required to register pursuant to section 407.3.

1995, c. 63, s. 357.

§ 1.4. — *Fuel supplier*

1999, c. 65, s. 49.

**210.8.** Sections 210.2 to 210.5 apply, with the necessary modifications, to every small supplier who is required to register pursuant to section 407.4.

1999, c. 65, s. 49.

§ 1.5. — *Suppliers of new tires or road vehicles*

2000, c. 39, s. 282.

**210.9.** Sections 210.2 to 210.5 apply, with the necessary modifications, to every person required to register pursuant to section 407.5.

2000, c. 39, s. 282.

§ 2. — *Allowance and reimbursement*

**211.** A person is deemed to have received a supply of property or a service where

(1) the person pays an allowance to an employee of the person, or, where the person is a partnership, to a member of the partnership, or, where the person is a charity or a public institution, to a volunteer who gives services to the charity or public institution

(a) for supplies all or substantially all of which are taxable supplies, other than zero-rated supplies, of property or services acquired in Québec by the employee, member or volunteer in relation to activities engaged in by the person, or

(b) for the use in Québec, in relation to activities engaged in by the person, of a motor vehicle;

(2) an amount in respect of the allowance is deductible in computing the income of the person for a taxation year of the person for the purposes of the Taxation Act (chapter I-3), or would have been so deductible if the person were a taxpayer under that Act and the activity were a business; and

(3) in the case of an allowance in respect of which paragraph *e* of section 39 or section 40 of the Taxation Act would apply if the allowance were a reasonable allowance for the purposes of that paragraph or that section and, where the person is a partnership and the allowance is paid to a member of the partnership, or, where the person is a charity or a public institution and the allowance is paid to a volunteer, if the member or volunteer were an employee of a partnership, charity or institution, the person considered, at the time the allowance was paid, that the allowance would be a reasonable allowance for the purposes of paragraph *e* of section 39 or section 40 of that Act and it is reasonable for the person to have so considered, at that time, the allowance to be a reasonable allowance for those purposes.

In addition, any consumption or use of the property or service by the employee, member or volunteer is deemed to be consumption or use by the person and not by the employee, member or volunteer, and the

person is deemed to have paid, at the time the allowance was paid, tax in respect of the supply equal to the amount determined by multiplying the amount of the allowance by 9.975/109.975.

1991, c. 67, s. 211; 1993, c. 19, s. 189; 1994, c. 22, s. 471; 1995, c. 1, s. 280; 1995, c. 63, s. 358; 1997, c. 85, s. 542; 2010, c. 5, s. 214; 2011, c. 6, s. 249; 2012, c. 28, s. 66.

**211.1.** *(Repealed).*

1993, c. 19, s. 190; 1995, c. 1, s. 281.

**212.** Where an employee of an employer, a member of a partnership or a volunteer who gives services to a charity or public institution acquires or brings into Québec property or a service for consumption or use in activities of the employer, partnership, charity or public institution (each of which is referred to in this section as the “person”), the employee, member or volunteer paid the tax payable in respect of that acquisition or bringing into Québec and the person pays an amount to the employee, member or volunteer as a reimbursement in respect of the property or service,

- (1) the person is deemed to have received a supply of the property or service;
- (2) any consumption or use of the property or service by the employee, member or volunteer in activities of the person is deemed to be consumption or use by the person and not by the employee, member or volunteer; and
- (3) the person is deemed to have paid, at the time the reimbursement is paid, tax in respect of the supply equal to the amount determined by the formula

$$A \times B.$$

For the purposes of this formula,

- (1) A is the tax paid by the employee, member or volunteer in respect of the acquisition or bringing into Québec of the property or service; and
- (2) B is the lesser of
  - (a) the percentage of the cost of the property or service, for the employee, member or volunteer, that is reimbursed to the employee, member or volunteer, and
  - (b) the extent, expressed as a percentage, to which the property or service was acquired or brought into Québec by the employee, member or volunteer for consumption or use in activities of the person.

1991, c. 67, s. 212; 1995, c. 1, s. 282; 1997, c. 85, s. 543.

**212.1.** Section 212 does not apply to a reimbursement in respect of property or a service acquired or brought into Québec by a member of a partnership where paragraph 2 of section 345.2 applies to the acquisition or bringing into Québec and the reimbursement is paid to the member after the member files with the Minister a return of the member under section 468 in which an input tax refund in respect of the property or service is claimed.

1997, c. 85, s. 544.

**212.2.** Where the beneficiary of a warranty (other than an insurance policy) in respect of the quality, fitness or performance of corporeal property acquires or brings into Québec property or a service in respect of which tax is payable by the beneficiary and a registrant pays to the beneficiary, under the terms of the

warranty, an amount as a reimbursement in respect of the property or service and therewith provides written indication that a portion of the amount is on account of tax, the following rules apply:

(1) the registrant may claim an input tax refund, for the reporting period of the registrant in which the reimbursement is paid, equal to the amount (in this section referred to as the “tax reimbursed”) determined by the formula

$$A \times B / C; \text{ and}$$

(2) where the beneficiary is a registrant who was entitled to claim an input tax refund, or a rebate under Division I of Chapter VII, in respect of the property or service, the beneficiary is deemed to have made a taxable supply and to have collected, at the time the reimbursement is paid, tax in respect of the supply equal to the amount determined by the formula

$$D \times E / F.$$

For the purposes of these formulas,

(1) A is the tax payable by the beneficiary;

(2) B is the amount of the reimbursement;

(3) C is the cost to the beneficiary of the property or service;

(4) D is the tax reimbursed;

(5) E is the total of the input tax refunds and rebates under Division I of Chapter VII that the beneficiary was entitled to claim in respect of the property or service; and

(6) F is the tax payable by the beneficiary in respect of the supply or bringing into Québec of the property or service.

1997, c. 85, s. 544.

### § 3. — *Used returnable container*

1997, c. 85, s. 545.

**213.** A registrant is deemed, except where section 75.1 or 80 applies in respect of the supply, to have paid, at the time any amount is paid as consideration for the supply, tax in respect of the supply equal to the amount determined by multiplying that amount by 9.975/109.975, where

(1) the registrant is the recipient of a supply made in Québec by way of sale of used corporeal movable property, other than a returnable container as defined in section 350.42.3, that is a usual covering or container of a class of coverings or containers in which property, other than property the supply of which is a zero-rated supply, is delivered;

(2) tax is not payable by the registrant in respect of the supply;

(3) the property is acquired for the purpose of consumption, use or supply in the course of commercial activities of the registrant; and

(4) the registrant pays consideration for the supply that is not less than the total of

(a) the consideration charged by the registrant for supplies by the registrant of used coverings or containers of that class, and

(b) tax calculated on that consideration.

For the purposes of this section, where a person makes a supply of used corporeal movable property to a registrant with whom the person is not dealing at arm's length for consideration that exceeds the fair market value of the property at the time possession of the property is transferred to the registrant, the value of the consideration for the supply is deemed to be equal to the fair market value of the property at that time.

1991, c. 67, s. 213; 1994, c. 22, s. 472; 1997, c. 85, s. 546; 2009, c. 5, s. 614; 2010, c. 5, s. 215; 2011, c. 6, s. 250; 2012, c. 28, s. 67.

**214.** *(Repealed).*

1991, c. 67, s. 214; 1993, c. 19, s. 191; 1995, c. 63, s. 359; 1997, c. 85, s. 547.

**215.** *(Repealed).*

1991, c. 67, s. 215; 1994, c. 22, s. 473; 1997, c. 85, s. 547.

**216.** *(Repealed).*

1991, c. 67, s. 216; 1993, c. 19, s. 192; 1994, c. 22, s. 474; 1995, c. 63, s. 360; 1997, c. 85, s. 547.

**217.** *(Repealed).*

1991, c. 67, s. 217; 1994, c. 22, s. 475; 1995, c. 63, s. 361; 1997, c. 85, s. 547.

**217.1.** *(Repealed).*

1994, c. 22, s. 476; 1997, c. 85, s. 547.

**218.** *(Repealed).*

1991, c. 67, s. 218; 1997, c. 85, s. 547.

**219.** *(Repealed).*

1991, c. 67, s. 219; 1995, c. 63, s. 362; 1997, c. 85, s. 547.

§ 4. — *Immovable*

I. — *Change in use*

**220.** Where at a particular time a person begins to hold or use an immovable as a residential complex,

(1) the person is deemed to have substantially renovated the complex;

(2) the renovation is deemed to have begun at the particular time and to have been substantially completed at the earlier of

(a) the time the complex is occupied by any individual as a place of residence or lodging, and

(b) the time the person transfers ownership of the complex to another person; and

(3) the person is deemed to be a builder of the complex, except where the person is

(a) a particular individual who acquires the immovable at that time to hold and use exclusively as a place of residence of the particular individual or another individual who is related to the particular individual or who is a former spouse of the particular individual, or

(b) a personal trust that acquires the immovable at that time to hold or use exclusively as a place of residence of an individual who is a beneficiary of the trust.

However, the first paragraph applies only where

(1) the immovable

(a) was last acquired by the person to be held or used as a residential complex, or

(b) immediately before the particular time, is held for supply, or used or held for use as capital property, in a business or commercial activity of the person;

(2) immediately before the particular time, the immovable was not a residential complex; and

(3) the person did not engage in the construction or substantial renovation of, and is not, but for this section, a builder of the complex.

1991, c. 67, s. 220; 1994, c. 22, s. 477; 1997, c. 85, s. 548.

**221.** Where at any time an individual appropriates an immovable for the personal use or enjoyment of the individual, another individual related to the individual or a former spouse of the individual, the individual is deemed

(1) to have made and received a taxable supply by way of sale of the immovable immediately before that time; and

(2) to have paid as a recipient and to have collected as a supplier, at that time, tax in respect of the supply, calculated on the fair market value of the immovable at that time.

However, the first paragraph applies only where, immediately before that time, the immovable

(1) was held for supply, or was used or held for use as capital property, in a business or commercial activity of the individual; and

(2) was not a residential complex.

1991, c. 67, s. 221.

**222.** (*Repealed*).

1991, c. 67, s. 222; 1995, c. 63, s. 363.

#### *I.1. — Self-supply of land*

1994, c. 22, s. 478.

**222.1.** Where a person who has an interest in land makes a supply of the land by way of lease, licence or similar arrangement and at any time gives possession of the land as set out in subparagraph 2 of the second paragraph, the person is deemed



(1) to have made, immediately before that time, a taxable supply by way of sale of the land and to have collected, at that time, tax in respect of the supply calculated on the fair market value of the land at that time; and

(2) to have received, at that time, a taxable supply by way of sale of the land and to have paid, at that time, tax in respect of that supply calculated on the fair market value of the land at that time.

However, the first paragraph applies only where

(1) the supply is an exempt supply referred to in section 99 or paragraph 1 of section 100;

(2) the person at any time gives possession of the land to the recipient of the supply under the arrangement;

(3) the last use of the land by the person before that time was not under an arrangement for a supply referred to in subparagraph 1 of this paragraph;

(4) the person was not deemed under section 243, 258 or 261 to have made a supply of the land at or immediately before that time; and

(5) the recipient of the supply is not acquiring possession of the land for the purpose of

(a) constructing a residential complex thereon in the course of a commercial activity, or

(b) making an exempt supply of the land referred to in section 99.

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1994, c. 22, s. 478.

#### *I.2. — Self-supply of a site in a residential trailer park*

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1994, c. 22, s. 478.

**222.2.** Where a person makes a supply of a site in a residential trailer park of the person by way of lease, licence or similar arrangement and at any time gives possession or occupancy of the site as set out in subparagraph 2 of the second paragraph, the person is deemed

(1) to have made, immediately before that time, a taxable supply by way of sale of the park and to have collected, at that time, tax in respect of the supply calculated on the fair market value of the park at that time; and

(2) to have received, at that time, a taxable supply by way of sale of the park and to have paid, at that time, tax in respect of the supply calculated on the fair market value of the park at that time.

However, the first paragraph applies only where

(1) the supply is an exempt supply referred to in paragraph 2 of section 100;

(2) the person at any time gives possession or occupancy of the site to the recipient of the supply under the arrangement;

(3) none of the sites in the park were occupied immediately before that time under an arrangement for a supply referred to in subparagraph 1 of this paragraph; and

(4) either

(a) the last acquisition of the park by the person was not an exempt supply referred to in section 97.3 and the person was not deemed to have made a supply of land included in the park as a consequence of using the land for purposes of the park,

- i. before that time under this section, or
- ii. at or immediately before that time under section 243, 258 or 261; or

(b) the person was entitled, after the park or land was last acquired or deemed to have been supplied by the person, to claim an input tax refund in respect of the acquisition thereof or an improvement thereto.

1994, c. 22, s. 478.

**222.3.** Where a person who increases the area of land included in a residential trailer park of the person makes a supply of a site in the area of land by which the park was increased (in this section referred to as the “additional area”) by way of lease, licence or similar arrangement and at any time gives possession or occupancy of the site as set out in subparagraph 2 of the second paragraph, the person is deemed

(1) to have made, immediately before that time, a taxable supply by way of sale of the additional area and to have collected, at that time, tax in respect of the supply calculated on the fair market value of the additional area at that time; and

(2) to have received, at that time, a taxable supply by way of sale of the additional area and to have paid, at that time, tax in respect of the supply calculated on the fair market value of the additional area at that time.

However, the first paragraph applies only where

- (1) the supply is an exempt supply referred to in paragraph 2 of section 100;
- (2) the person at any time gives possession or occupancy of the site to the recipient of the supply under the arrangement;
- (3) none of the sites in the additional area were occupied immediately before that time under an arrangement for a supply referred to in subparagraph 1 of this paragraph; and
- (4) either

(a) the last acquisition of the additional area by the person was not an exempt supply referred to in section 97.3 and the person was not deemed to have made a supply of the additional area as a consequence of using the additional area for purposes of the park,

- i. before that time under this subdivision 4, or
- ii. at or before that time under section 243, 258 or 261; or

(b) the person was entitled, after the additional area was last acquired or deemed to have been supplied by the person, to claim an input tax refund in respect of the acquisition thereof or an improvement thereto.

1994, c. 22, s. 478.

### *I.3. — Supply of a mobile home or floating home – Builder*

1994, c. 22, s. 478.

**222.4.** Any person who makes a supply of a mobile home or a floating home before it has been used or occupied by any individual as a place of residence or lodging is deemed to have engaged in the construction of the home and to have substantially completed the construction at the earlier of the time ownership of the

home is transferred to the recipient of the supply and the time possession of the home is transferred to the recipient under the agreement for the supply.

1994, c. 22, s. 478.

**222.5.** Where a person engages in the substantial renovation of a mobile home or a floating home, the home is deemed not to have been used or occupied, at any time before the person began to substantially renovate the home, by any individual as a place of residence or lodging.

1994, c. 22, s. 478.

## II. — *Self-supply of residential complex – Builder*

**222.6.** For the purposes of sections 223 to 231.1, a reference to “by way of lease” in respect of land shall be read as a reference to “by way of lease, licence or similar arrangement”.

2001, c. 53, s. 313.

**223.** Subject to sections 224.1 to 224.5, where the construction or substantial renovation of a residential complex that is a single unit residential complex or a residential unit held in co-ownership is substantially completed, the builder of the complex is deemed

(1) to have made and received, at the latest of the time the construction or substantial renovation is substantially completed, the time possession or use of the complex is given as set out in subparagraph *a* or *b* of subparagraph 1 of the second paragraph and the time the residential complex is occupied as set out in subparagraph *c* of that subparagraph, a taxable supply by way of sale of the complex; and

(2) to have paid as a recipient and to have collected as a supplier, at the latest of those times, tax in respect of the supply calculated on the fair market value of the complex at the latest of those times.

However, the first paragraph applies only where

(1) the builder of the residential complex

(a) gives possession or use of the complex to a particular person under a lease, licence or similar arrangement, other than an arrangement, arising as a consequence of an agreement of purchase and sale of the complex, for the possession or occupancy of the complex until ownership of the complex is transferred to the purchaser under the agreement, entered into for the purpose of its occupation by an individual as a place of residence,

(b) gives possession or use of the complex to a particular person under an agreement, other than an agreement for the supply of a mobile home and a site for the home in a residential trailer park, for

i. the supply by way of sale of the building or any part thereof in which the residential unit forming part of the complex is located, and

ii. the supply by way of lease of the land forming part of the complex or the supply of such a lease by way of assignment, or

(c) is an individual and occupies the complex as a place of residence; and

(2) the builder, the particular person or an individual who has entered into a lease, licence or similar arrangement in respect of the complex with the particular person, is the first individual to occupy the complex as a place of residence after substantial completion of the construction or renovation.

1991, c. 67, s. 223; 1994, c. 22, s. 479; 1997, c. 14, s. 337; 2001, c. 53, s. 314; 2009, c. 15, s. 504.

**224.** Subject to sections 224.1 to 224.5, where the construction or substantial renovation of a residential complex held in co-ownership is substantially completed, the builder of the unit is deemed

(1) to have made and received, at the time referred to in subparagraph 3 of the second paragraph, a taxable supply by way of sale of the unit; and

(2) except where possession of the unit was transferred to the particular person referred to in subparagraph 1 of the second paragraph before 1 July 1992, to have paid as a recipient and to have collected as a supplier, at that time, tax in respect of the supply calculated on the fair market value of the unit at that time.

However, the first paragraph applies only where

(1) the builder of the unit gives possession of the unit to a particular person who is the purchaser under an agreement of purchase and sale of the unit at a time when the declaration of co-ownership relating to the complex in which the unit is situated has not yet been entered in the land register;

(2) the particular person or an individual who is a tenant or licensee of the particular person is the first individual to occupy the unit as a place of residence after substantial completion of the construction or renovation; and

(3) the agreement of purchase and sale is at any time terminated, otherwise than by performance of the agreement, and another agreement of purchase and sale of the unit between the builder and the particular person is not entered into at that time.

1991, c. 67, s. 224; 1994, c. 22, s. 480; 1997, c. 3, s. 135; 1997, c. 14, s. 338.

**224.1.** Notwithstanding section 428, a builder of a residential complex who is registered under Division I of Chapter VIII may make an election to not include in determining the net tax of the builder for a particular reporting period of the builder the tax deemed under subparagraphs *a* and *c* of subparagraphs 1 and 2 of the second paragraph of section 223 or 224 to have been collected by the builder during the particular period in respect of the residential complex.

However, the first paragraph applies only where the residential complex is built by the builder for the purpose of using it in the course of the builder's business of supplying immovables by way of sale otherwise than by the sole application of section 223 or 224.

1997, c. 14, s. 339.

**224.2.** Where a builder having made an election under section 224.1 in respect of a residential complex makes, within 12 months following the supply deemed to have been made under section 223 or 224, a supply of the residential complex by way of sale, other than a supply deemed to have been made under the provisions of this Title, section 223 or 224, as the case may be, is deemed not to have applied, except for the purpose of computing the interest payable by the builder under the first paragraph of section 224.4.

However, if no supply of the residential complex by way of sale is made by the builder within 12 months following the supply deemed to have been made under section 223 or 224, the presumption established in the first paragraph does not apply and the builder shall include, in determining the net tax of the builder for a reporting period of the builder that is not later than the reporting period of the builder that includes the day after the 12-month period following the supply deemed to have been made under section 223 or 224, the tax deemed to have been collected by the builder in respect of the residential complex.

1997, c. 14, s. 339; 1997, c. 85, s. 549.

**224.3.** A builder having made an election under section 224.1 in respect of a residential complex shall

(1) make the election in prescribed form containing prescribed information; and

(2) file the election with the Minister on or before the last day of the month following the month in which the builder is deemed to have made the supply of the residential complex under section 223 or 224.

1997, c. 14, s. 339.

**224.4.** A builder having made an election under section 224.1 in respect of a residential complex shall pay interest at the rate determined in section 28 of the Tax Administration Act (chapter A-6.002) on the tax payable in respect of the supply deemed to have been made under section 223 or 224 for the period that begins on the day on which the builder is deemed to have made the supply of the residential complex and that ends on the earliest of

(1) the day after the 12-month period following the supply deemed to have been made under section 223 or 224;

(2) the day on which the tax under section 16 is payable in respect of the supply of the residential complex by way of sale in the circumstances described in the first paragraph of section 224.2; and

(3) the day on which the builder remits the tax the builder is deemed under section 223 or 224 to have collected in respect of the residential complex.

There shall be added, in determining the net tax of the builder for the reporting period of the builder during which the builder is required to include, in determining that net tax, any tax that has become collectible, has been collected or is deemed to have been collected by the builder in respect of the residential complex, the amount equal to the interest payable under the first paragraph.

However, the first paragraph does not apply where the builder remits to the Minister the tax deemed under section 223 or 224 to have been collected by the builder in respect of the residential complex on or before the day on which the builder is required to file an election under section 224.3.

1997, c. 14, s. 339; 2010, c. 31, s. 175.

**224.5.** Where the builder makes an election under section 224.1 in respect of a residential complex, the following rules apply, with the necessary modifications:

(1) where section 75.1 applies, the recipient of the supply is deemed to be the builder of the residential complex from the time the supply is deemed under section 223 or 224 to have been made;

(2) where section 76 applies, the new corporation is deemed to be the builder of the residential complex from the time the supply is deemed under section 223 or 224 to have been made;

(3) where section 77 applies, the other corporation is deemed to be the builder of the residential complex from the time the supply is deemed under section 223 or 224 to have been made;

(4) where section 326 applies, the succession is deemed to be the builder of the residential complex from the time the supply is deemed under section 223 or 224 to have been made; similarly, if section 80 applies, the other individual is deemed to be the builder of the residential complex from the time the supply is deemed under section 223 or 224 to have been made;

(5) where a supply is deemed to be made under section 320, the creditor is deemed to be the builder of the residential complex from the time the supply is deemed under section 223 or 224 to have been made;

(6) where a supply is deemed to have been made under a provision of this Title, other than a supply deemed to have been made under section 320, the second paragraph of section 224.2 applies immediately before the time of the supply and the builder is required to include in determining the net tax of the builder for the builder's reporting period during which the builder is deemed to have made the supply, the tax that is deemed to have been collected under section 223 or 224 by the builder in respect of the residential complex.

1997, c. 14, s. 339; 1998, c. 16, s. 303.

**225.** Where the construction or substantial renovation of a multiple unit residential complex is substantially completed, the builder of the complex is deemed

(1) to have made and received, at the latest of the time the construction or substantial renovation is substantially completed, the time possession or use of the unit referred to in subparagraphs *a* and *a.1* of subparagraph 1 of the second paragraph is given as set out in those subparagraphs, and the time the unit referred to in subparagraph *b* of that subparagraph 1 is occupied as set out in that subparagraph, a taxable supply by way of sale of the complex; and

(2) to have paid as a recipient and to have collected as a supplier, at the latest of those times, tax in respect of the supply calculated on the fair market value of the complex at the latest of those times.

However, the first paragraph applies only where

(1) the builder of the residential complex

(*a*) gives possession or use of any residential unit in the complex to a particular person under a lease, licence or similar arrangement entered into for the purpose of its occupation by an individual as a place of residence and the particular person is not a purchaser under an agreement of purchase and sale of the complex, or

(*a.1*) gives possession or use of any residential unit in the complex to a particular person under an agreement for

i. the supply by way of sale of the building or part thereof forming part of the complex, and

ii. the supply by way of lease of the land forming part of the complex or the supply of such a lease by way of assignment, or

(*b*) is an individual and occupies any residential unit in the complex as a place of residence; and

(2) the builder, the particular person or an individual who has entered into a lease, licence or similar arrangement in respect of a residential unit in the complex with the particular person, is the first individual to occupy a residential unit in the complex as a place of residence after substantial completion of the construction or renovation.

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1991, c. 67, s. 225; 1994, c. 22, s. 481; 2001, c. 53, s. 315; 2009, c. 15, s. 505.

**226.** Where the construction of an addition to a multiple unit residential complex is substantially completed, the builder of the addition is deemed

(1) to have made and received, at the latest of the time the construction of the addition is substantially completed, the time possession or use of the unit referred to in subparagraphs *a* and *a.1* of subparagraph 1 of the second paragraph is given as set out in those subparagraphs, and the time the unit referred to in subparagraph *b* of that subparagraph 1 is occupied as set out in that subparagraph, a taxable supply by way of sale of the addition; and

(2) to have paid as a recipient and to have collected as a supplier, at the latest of those times, tax in respect of the supply calculated on the fair market value of the addition at the latest of those times.

However, the first paragraph applies only where

(1) the builder of the addition

(*a*) gives possession or use of any residential unit in the addition to a particular person under a lease, licence or similar arrangement entered into for the purpose of its occupation by an individual as a place of

residence and the particular person is not a purchaser under an agreement of purchase and sale of the complex, or

(a.1) gives possession or use of any residential unit in the addition to a particular person under an agreement for

- i. the supply by way of sale of the building or part thereof forming part of the complex, and
- ii. the supply by way of lease of the land forming part of the complex or the supply of such a lease by way of assignment, or

(b) is an individual and occupies any residential unit in the addition as a place of residence;

(2) the builder, the particular person or an individual who has entered into a lease, licence or similar arrangement in respect of a residential unit in the addition with the particular person, is the first individual to occupy a residential unit in the addition as a place of residence after substantial completion of the construction of the addition.

1991, c. 67, s. 226; 1994, c. 22, s. 482; 2001, c. 53, s. 316; 2009, c. 15, s. 506.

**227.** Sections 223 to 226 do not apply to a builder of a residential complex or an addition to a residential complex where

- (1) the builder is an individual;
- (2) at any time after the construction or renovation of the complex or addition is substantially completed, the complex is used primarily as a place of residence for the individual, an individual related to the individual or a former spouse of the individual;
- (3) the complex is not used primarily for any other purpose between the time the construction or renovation is substantially completed and that time; and
- (4) the individual has not claimed an input tax refund in respect of the acquisition of or an improvement to the complex.

1991, c. 67, s. 227.

**228.** Sections 223 to 226 do not apply to a builder of a residential complex or an addition to a residential complex where

- (1) the builder is a university, public college or school authority; and
- (2) the construction or renovation of the complex or addition is carried out, or the complex is acquired, primarily for the purpose of providing a place of residence for students attending the university or college or a school of the school authority.

1991, c. 67, s. 228.

**228.1.** Sections 223 to 226 do not apply to a builder of a residential complex or an addition to a residential complex where

- (1) the builder is a group of individuals in respect of which sections 851.23 to 851.33 of the Taxation Act (chapter I-3) apply; and
- (2) the construction or substantial renovation of the complex or addition is carried out exclusively for the purpose of providing a place of residence for members of the group.

1997, c. 85, s. 550.

**229.** The supply of a residential complex or a residential unit therein, as a place of residence or lodging, is deemed not to be a supply and the occupation of the residential complex or unit, as a place of residence or lodging, is deemed not to be such an occupation where

(1) the builder of the residential complex or an addition to the residential complex is a registrant;

(2) the construction or substantial renovation of the complex or addition is carried out, or the complex is acquired, for the purpose of providing a place of residence or lodging for an individual at a location at which, because of its remoteness from any established community, the individual could not reasonably be expected to establish and maintain a self-contained domestic establishment and at which the individual is required to be

(a) in the performance of the individual's duties as an employee of the registrant,

(b) to render services to the registrant at that location as a contractor, or an employee of the contractor, engaged by the registrant, or

(c) to render services at that location as a subcontractor, or an employee of the subcontractor, engaged by the contractor referred to in subparagraph *b* to render services that are acquired by the contractor for the purpose of supplying services to the registrant; and

(3) the registrant makes, for the purposes of this section, an election in prescribed form containing prescribed information in respect of the residential complex or addition.

The presumptions under the first paragraph apply until the residential complex is supplied by way of sale, or is supplied by way of lease, licence or similar arrangement primarily to persons who are not employees, contractors or subcontractors referred to in subparagraphs *a*, *b* and *c* of subparagraph 2 of the first paragraph who are acquiring the complex or residential units therein in the circumstances described in those subparagraphs or individuals who are related to such employees, contractors or subcontractors.

1991, c. 67, s. 229; 1994, c. 22, s. 483; 1997, c. 85, s. 551.

**230.** Where the registrant makes an election under subsection 7 of section 191 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex or addition referred to in section 229, the registrant is deemed to have made an election under subparagraph 3 of the first paragraph of section 229.

1991, c. 67, s. 230; 1994, c. 22, s. 484.

**231.** For the purposes of sections 223 to 229, the construction or substantial renovation of a multiple unit residential complex or a complex held in co-ownership, or the construction of an addition to a multiple unit residential complex, is deemed to be substantially completed not later than the day all or substantially all of the residential units in the complex or addition are occupied after the construction or substantial renovation is begun.

1991, c. 67, s. 231; 1994, c. 22, s. 484.

**231.1.** If a builder of a residential complex or an addition to a multiple unit residential complex makes a supply of the complex or of a residential unit in the complex or addition by way of lease, licence or similar arrangement and the supply is an exempt supply under section 99 or 99.0.1, the builder is deemed, at the time referred to in paragraph 2, to have given possession of the complex or unit to an individual under a lease, licence or similar arrangement entered into for the purpose of its occupancy by an individual as a place of residence if

(1) the recipient of the supply is acquiring the complex or unit for use or supply in the course of making exempt supplies and, as part of an exempt supply, possession or use of the complex, unit or residential units in the complex is given by the recipient under a lease, licence or similar arrangement under which occupancy of the complex or unit is given to an individual as a place of residence or lodging; and



- (2) the builder at any time gives possession of the complex or unit to the recipient under the arrangement.

1994, c. 22, s. 485; 2009, c. 15, s. 507.

**231.2.** For the purposes of section 231.3,

“government funding”, in respect of a residential complex, means

(1) an amount of money, including a forgivable loan but not including any other loan or a refund or rebate of, or credit in respect of, fees, duties or taxes imposed under any Act, paid or payable by either of the following persons to a builder of the residential complex or of an addition thereto for the purpose of making residential units in the complex available to persons referred to in the second paragraph of section 231.3:

(a) a grantor, or

(b) an organization that received the amount from a grantor or another organization that received the amount from a grantor;

“grantor” means

(1) a government or municipality, other than a corporation all or substantially all of whose activities are commercial activities or the supply of financial services or any combination thereof;

(2) a band within the meaning of section 2 of the Indian Act (Revised Statutes of Canada, 1985, chapter I-5);

(3) a corporation that is controlled by a government, a municipality or a band referred to in paragraph 2 and one of the main purposes of which is to fund charitable or non-profit activities; and

(4) a trust, board, commission or other body that is established by a government, municipality, band referred to in paragraph 2 or corporation described in paragraph 3 and one of the main purposes of which is to fund charitable or non-profit activities.

1997, c. 85, s. 552.

**231.3.** Where a builder of a residential complex or an addition thereto is deemed under any of sections 223 to 226 to have, at a particular time, made and received a supply of the complex or addition and, except where the builder is a government or a municipality, the builder, at or before the particular time, has received or can reasonably expect to receive government funding in respect of the complex, the amount of tax in respect of the supply, calculated on the fair market value of the complex or addition, is deemed for the purposes of sections 223 to 226 to be equal to the greater of

(1) the amount that would, but for this section, be the tax calculated on that fair market value; and

(2) the amount determined by the formula

$A + B.$

The first paragraph applies only if possession or use of at least 10% of the residential units in the complex is intended to be given for the purpose of their occupancy as a place of residence or lodging by

(1) seniors;

(2) youths;

(3) students;

(4) persons with a disability;

(5) persons in distress or persons in need of assistance;

(6) individuals whose eligibility for occupancy of the units as a place of residence or lodging, or for reduced payments in respect of their occupancy as a place of residence or lodging, is dependent on a means or income test; or

(7) individuals for whose benefit no other persons (other than public sector bodies) pay consideration for supplies that include giving possession or use of the units for occupancy by the individuals as a place of residence or lodging and who either pay no consideration for the supplies or pay consideration that is significantly less than the consideration that could reasonably be expected to be paid for comparable supplies made by a person in the business of making such supplies for the purpose of earning a profit.

For the purposes of the formula in the first paragraph,

(1) A is the total of all amounts each of which is an amount determined by the formula

$C \times (D / E)$ ; and

(2) B is the total of all amounts each of which is an amount determined by the formula

$F \times (G / H)$ .

For the purposes of the formulas in the third paragraph,

(1) C is an amount of tax, calculated at a particular rate, that was payable under the first paragraph of section 16 or any of sections 17, 18, 18.0.1 and 26.3 by the builder in respect of an acquisition of an immovable that forms part of the complex or addition or in respect of an acquisition or bringing into Québec of an improvement to an immovable that forms part of the complex or addition;

(2) D is the tax rate specified in the first paragraph of section 16 at the particular time referred to in the first paragraph;

(3) E is the particular rate;

(4) F is an amount (other than an amount referred to in subparagraph 1) that would have been payable as tax, calculated at a particular rate, under the first paragraph of section 16 or any of sections 17, 18, 18.0.1 and 26.3 by the builder in respect of an acquisition or bringing into Québec of an improvement to an immovable that forms part of the complex or addition but for the fact that the improvement was acquired or brought into Québec for consumption, use or supply exclusively in the course of commercial activities of the builder;

(5) G is the tax rate specified in the first paragraph of section 16 at the particular time referred to in the first paragraph; and

(6) H is the particular rate.

1997, c. 85, s. 552; 2009, c. 15, s. 508; 2015, c. 36, s. 204.

**232.** Where in the course of a business of making supplies of immovables, a person renovates or alters a residential complex of the person and the renovation or alteration is not a substantial renovation, the person is deemed

(1) to have made and received a taxable supply, at the earlier of the time the renovation is substantially completed and the time ownership of the complex is transferred, for consideration equal to the amount established under the second paragraph; and

(2) to have paid as a recipient and to have collected as a supplier, at that time, tax in respect of the supply, calculated on the consideration referred to in subparagraph 1.

Subject to section 52, the consideration referred to in subparagraph 1 of the first paragraph is equal to the total of all amounts each of which is an amount in respect of the renovation or alteration, other than the amount of consideration that was paid or payable by the person for a financial service or for any property or service in respect of which the person is required to pay tax, that would be included in determining the adjusted cost base to the person of the complex for the purposes of the Taxation Act (chapter I-3) if the complex were capital property of the person and the person were a taxpayer under that Act.

1991, c. 67, s. 232.

#### *II.1. — Assignment of an agreement of purchase and sale*

2023, c. 19, s. 133.

**232.1.** Where a taxable supply of a single unit residential complex, within the meaning of section 360.5, or of a residential unit held in co-ownership is made by way of sale in Québec under an agreement of purchase and sale entered into with a builder of the complex or unit and where another supply by way of assignment of the agreement of purchase and sale is made by a person (other than the builder) under another agreement, the following rules apply:

(1) the other supply is deemed to be a taxable supply by way of sale of an immovable that is an interest in the single unit residential complex or residential unit held in co-ownership; and

(2) the consideration for the other supply is deemed to be equal to the amount determined by the formula

$A - B$ .

For the purposes of the formula in the first paragraph,

(1) A is the consideration for the other supply as otherwise determined for the purposes of this Title; and

(2) B is

(a) where the other agreement indicates in writing that a part of the consideration for the other supply is attributable to the reimbursement of a deposit paid under the agreement of purchase and sale, the part of the consideration for the other supply, as otherwise determined for the purposes of this Title, that is solely attributable to that reimbursement, or

(b) in any other case, zero.

2023, c. 19, s. 133.

III. — *Sale of immovable*

**233.** Subject to section 234.0.1, a registrant who, at a particular time, makes a taxable supply of an immovable by way of sale may, despite sections 203 to 206 and subdivision 5, claim an input tax refund for the reporting period in which tax in respect of the taxable supply became payable or is deemed to have been collected, as the case may be, equal to the amount determined by the formula

$A \times B$ .

For the purposes of this formula,

(1) A is the lesser of

(a) the basic tax content of the immovable at the particular time, and

(b) an amount equal to the tax that is or would be, but for sections 75.1, 75.3 to 75.9 and 80, payable in respect of the taxable supply of the immovable; and

(2) B is the percentage that, immediately before the particular time, the use of the immovable, otherwise than in commercial activities of the registrant, was of the total use of the immovable;

(3) *(subparagraph repealed)*.

This section does not apply

(1) to a supply deemed under any of sections 259, 259.1, 262 and 262.1 to have been made; or

(2) to a supply made by a public sector body (other than a financial institution) of an immovable in respect of which an election by the body under sections 272 to 276 is not in effect at the particular time.

1991, c. 67, s. 233; 1994, c. 22, s. 486; 1997, c. 85, s. 553; 2007, c. 12, s. 320; 2009, c. 5, s. 615; 2012, c. 28, s. 68.

**234.** Subject to section 234.0.1, if at a particular time a registrant that is a public sector body (other than a financial institution) makes a taxable supply of an immovable by way of sale (other than a supply that is deemed under any of sections 243, 259 and 259.1 to have been made) and, immediately before the time tax becomes payable in respect of the taxable supply, the immovable was not used by the registrant primarily in commercial activities of the registrant, the registrant may, despite sections 203 to 206 and subdivision 5, except where section 233 applies, claim an input tax refund for the reporting period in which tax in respect of the taxable supply became payable or is deemed to have been collected, as the case may be, equal to the lesser of

(1) the basic tax content of the immovable at the particular time; and

(2) an amount equal to the tax that is or would, but for sections 75.1 and 80, be payable in respect of the taxable supply of the immovable.

1991, c. 67, s. 234; 1994, c. 22, s. 486; 1997, c. 85, s. 554; 2007, c. 12, s. 321; 2012, c. 28, s. 69.

**234.0.1.** If the taxable supply referred to in section 233 or 234 is made at a particular time by a public sector body to a person with whom the public sector body is not dealing at arm's length, the value of A in the formula in section 233 and the amount of the input tax refund determined under section 234 must not exceed the lesser of

- (1) the basic tax content of the immovable at that time, and
- (2) the amount determined by the formula

$$(A / B) \times C.$$

For the purposes of the formula,

- (1) A is the basic tax content of the immovable at that time;
- (2) B is the amount that would be the basic tax content of the immovable at that time if that amount were determined without reference to the total of the amounts used for B in paragraph 2 of the definition of “basic tax content” in section 1; and
- (3) C is the tax that is or would be, but for sections 75.1 and 80, payable in respect of the taxable supply.

2007, c. 12, s. 322.

**234.1.** Where, for the purpose of satisfying in whole or in part a debt or obligation owing by a person (in this section referred to as the “debtor”), a creditor exercises a right under an Act of the Legislature of Québec, another province, the Northwest Territories, the Yukon Territory, Nunavut, or of the Parliament of Canada or an agreement relating to a debt security to cause the supply of an immovable and, under the Act or the agreement, the debtor has a right to redeem the immovable, the following rules apply:

- (1) the debtor is not entitled to claim an input tax refund under section 233 or 234 in respect of the immovable unless the time limit for redeeming the immovable has expired and the debtor has not exercised the debtor’s right of redemption; and
- (2) where the debtor is entitled to claim the input tax refund, that input tax refund is for the reporting period in which the time limit for redeeming the immovable expires.

1997, c. 85, s. 555; 2003, c. 2, s. 328.

#### IV. — *Statement as to use of immovable*

**235.** Where a supplier makes a taxable supply by way of sale of an immovable and incorrectly states or certifies in writing to the recipient of the supply that the supply is an exempt supply described in any of sections 94 to 97.3, 101 and 102, except where the recipient knows or ought to know that the supply is not an exempt supply,

- (1) the tax payable in respect of the supply is deemed to be equal to the amount determined by multiplying the consideration for the supply by 9.975/109.975; and
- (2) the supplier is deemed to have collected, and the recipient is deemed to have paid, that tax on the earlier of
  - (a) the day ownership of the immovable was transferred to the recipient; and
  - (b) the day possession of the immovable was transferred to the recipient under the agreement for the supply.

1991, c. 67, s. 235; 1994, c. 22, s. 487; 1997, c. 85, s. 556; 2011, c. 6, s. 251; 2012, c. 28, s. 70.

**236.** *(Repealed).*

1991, c. 67, s. 236; 1995, c. 63, s. 364.

§ 5. — *Capital property*

I. — *Interpretation*

**237.** Where a person acquires or brings into Québec prescribed property for use as capital property of the person, the property is deemed to be movable property.

1991, c. 67, s. 237; 1994, c. 22, s. 488.

**237.1.** Except for the purposes of sections 294 to 297 and 462 to 462.1.1, a residential complex is deemed not to be, at a particular time, capital property of a builder of the complex unless

(1) at or before the particular time, the construction or substantial renovation of the complex was substantially completed; and

(2) between the time at which the construction or substantial renovation of the complex was substantially completed and the particular time, the builder received an exempt supply of the complex or was deemed under sections 223 to 225 to have received a taxable supply of the complex.

1994, c. 22, s. 489; 1995, c. 63, s. 365.

**237.2.** Except for the purposes of sections 294 to 297 and 462 to 462.1.1, an addition to a multiple unit residential complex is deemed not to be, at a particular time, capital property of a builder of the addition unless

(1) at or before the particular time, the construction of the addition was substantially completed; and

(2) between the time at which the construction of the addition was substantially completed and the particular time, the builder received an exempt supply of the complex or was deemed under section 226 to have received a taxable supply of the addition.

1994, c. 22, s. 489; 1995, c. 63, s. 366.

**237.3.** Except for the purposes of sections 17 and 81, a bringing into Québec of property shall not be considered in determining the last acquisition or bringing in of the property

(1) where tax under section 17 was not paid on the property in respect of that bringing into Québec because the property was described in paragraph 1, 2 or 10 of section 81 or the property was described in paragraph 9 of that section and was classified under the heading specified in paragraph *a* of subsection 1 of section 195.2 of the Excise Tax Act (R.S.C. 1985, c. E-15), or would have been so classified but for paragraph *a* of the note referred to in paragraph *a* of that subsection;

(2) where tax under section 17 on the property in respect of that bringing into Québec was calculated on a value determined under sections 17R1 to 17R7 and 17R9 to 17R11 of the Regulation respecting the Québec sales tax (chapter T-0.1, r. 2), other than a prescribed section of that regulation; or

(3) in prescribed circumstances.

1994, c. 22, s. 489; 2012, c. 28, s. 71.

**237.4.** For the purpose of determining the last acquisition or bringing into Québec of property, this Title is deemed to have been in force at all times before 1 July 1992.

1994, c. 22, s. 489.

**238.** Where a person at any time acquires, brings into Québec or appropriates property for use as capital property of the person to a particular extent in a particular way, the person is deemed to use the property immediately after that time to the particular extent in the particular way.

1991, c. 67, s. 238; 1994, c. 22, s. 490.

**238.0.1.** Where a person brings into Québec property that is capital property of the person and the person was using the property to a particular extent in a particular way immediately after the property or a portion thereof was last acquired or imported into Canada by the person, the person is deemed to bring the property into Québec for use to the particular extent in the particular way.

1997, c. 85, s. 557.

**238.1.** Where a registrant, at a particular time, appropriates property of the registrant for use as capital property of the registrant or in improving capital property of the registrant and, immediately before the particular time, the property was not capital property of the registrant or an improvement to capital property of the registrant, the following rules apply:

(1) the registrant is deemed

(a) to have made, immediately before the particular time, a supply of the property by way of sale, and

(b) to have collected, at the particular time, tax in respect of the supply calculated on the fair market value of the property at the particular time where the property was last acquired or brought into Québec by the registrant before the particular time for consumption, use or supply, or was consumed or used before the particular time, in the course of commercial activities of the registrant; and

(2) the registrant is deemed to have received, at the particular time, a supply of the property by way of sale and to have paid, at the particular time, tax in respect of the supply equal to

(a) where the supply is not an exempt supply and the property was last acquired or brought into Québec by the registrant before the particular time for consumption, use or supply, or was consumed or used before the particular time, in the course of commercial activities of the registrant, tax calculated on the fair market value of the property at the particular time, and

(b) in any other case, the basic tax content of the property at the particular time.

The first paragraph does not apply in respect of property held by a registrant immediately before 1 January 2013 and to which any of the following provisions applied:

(1) the second paragraph of section 243;

(2) the second paragraph of section 253; and

(3) the fourth paragraph of section 255.1.

1994, c. 22, s. 491; 1997, c. 85, s. 558; 2012, c. 28, s. 72.

**239.** For the purposes of sections 256, 257, 259, 262, 264 and 265, where in any period beginning on the later of

(1) the day a registrant last acquired or brought into Québec property for use as capital property of the registrant, and

(2) the day section 257, 259, 262 or 265 was last applicable in respect of the property,

and ending at any time after that day, the extent to which the registrant changes the use of the property in commercial activities of the registrant is less than 10% of the total use of the property, the registrant is

deemed to have used the property throughout that period to the same extent and in the same way as the registrant used the property at the beginning of that period.

The first paragraph does not apply where the registrant is an individual who began in that period to use the property primarily for the personal use and enjoyment of the individual or a related individual.

1991, c. 67, s. 239; 1993, c. 19, s. 193; 1994, c. 22, s. 492.

**239.0.1.** If a registrant, other than a listed financial institution or a person who is a financial institution referred to in subparagraph *a* of paragraph 2 of the definition of “financial institution” in section 1, uses property as capital property in the making of supplies of financial services that relate to commercial activities of the registrant, the registrant is deemed,

(1) where the registrant is a financial institution referred to in subparagraph *b* of paragraph 2 of the definition of “financial institution” in section 1, to use the property in those commercial activities to the extent that the registrant does not use the property in the registrant’s activities that relate to credit cards or charge cards issued by the registrant or to the making of any advance, the lending of money or the granting of any credit; and

(2) in any other case, to use the property in those commercial activities.

2012, c. 28, s. 73; 2013, c. 10, s. 218.

**239.1.** *(Repealed).*

1994, c. 22, s. 493; 1997, c. 85, s. 559.

**239.2.** *(Repealed).*

1994, c. 22, s. 493; 1995, c. 1, s. 283; 1997, c. 85, s. 559.

## II. — *Movable property*

### 1. — *General provisions*

**240.** Where a registrant acquires or brings into Québec movable property for use as capital property in commercial activities of the registrant, the following rules apply:

(1) the tax payable by the registrant in respect of the acquisition or the bringing into Québec by the registrant of the property shall not be included in determining an input tax refund of the registrant for any reporting period unless the property was acquired or brought into Québec for use primarily in commercial activities of the registrant; and

(2) where the registrant acquires or brings the property for use primarily in commercial activities of the registrant, the registrant is deemed to have acquired or brought the property for use exclusively in commercial activities of the registrant.

1991, c. 67, s. 240; 1997, c. 85, s. 560.

**241.** Where a registrant acquires or brings into Québec an improvement to movable property that is capital property of the registrant, tax payable by the registrant in respect of the acquisition or bringing into Québec of the improvement shall not be included in determining an input tax refund of the registrant unless, at the time that tax becomes payable or is paid without having become payable, the capital property is used primarily in commercial activities of the registrant.

1991, c. 67, s. 241; 1993, c. 19, s. 194; 1994, c. 22, s. 494; 1995, c. 63, s. 367.



**242.** Where a registrant last acquired or brought into Québec movable property for use as capital property of the registrant but not for use primarily in commercial activities of the registrant and the registrant begins, at any time, to use the property as capital property primarily in commercial activities of the registrant, except where the registrant becomes a registrant at that time, the registrant is deemed

(1) to have received, at that time, a supply of the property by way of sale; and

(2) except where the supply is an exempt supply, to have paid, at that time, tax in respect of the supply equal to the basic tax content of the property at that time.

1991, c. 67, s. 242; 1994, c. 22, s. 495; 1997, c. 85, s. 561.

**243.** Where a registrant last acquired or brought into Québec movable property for use as capital property primarily in commercial activities of the registrant and the registrant begins, at any time, to use the property primarily for other purposes, the following rules apply:

(1) the registrant is deemed, immediately before that time, to have made a supply of the property by way of sale and to have collected, at that time, tax in respect of the supply equal to the basic tax content of the property at that time; and

(2) the registrant is deemed to have received, at that time, a supply of the property by way of sale and to have paid, at that time, tax in respect of the supply equal to the basic tax content of the property at that time.

Despite the first paragraph, where a registrant last acquired or brought into Québec movable property for use as capital property primarily in commercial activities of the registrant and the registrant begins, on 1 January 2013, to use the property primarily for other purposes because of Division VI.1 of Chapter III, the following rules apply:

(1) the registrant is deemed to have made, immediately before 1 January 2013, a supply of the property by way of sale for no consideration; and

(2) the registrant is deemed to have received, on 1 January 2013, a supply of the property by way of sale for use otherwise than as capital property or as an improvement to capital property of the registrant.

1991, c. 67, s. 243; 1993, c. 19, s. 195; 1994, c. 22, s. 496; 1995, c. 63, s. 368; 1997, c. 85, s. 562; 2012, c. 28, s. 74.

**243.1.** *(Repealed).*

1993, c. 19, s. 196; 1995, c. 63, s. 369.

**244.** Despite section 42.1 and subject to sections 42.6.1 and 42.6.2, where a registrant (other than a government) makes a supply by way of sale of movable property that is capital property of the registrant and, before the earlier of the time ownership of the property is transferred to the recipient and the time possession of the property is transferred to the recipient under the agreement for the supply, the registrant was last using the property otherwise than primarily in commercial activities of the registrant, the supply is deemed to have been made in the course of activities of the registrant that are not commercial activities.

1991, c. 67, s. 244; 1993, c. 19, s. 197; 1994, c. 22, s. 497; 1995, c. 63, s. 370; 2015, c. 21, s. 665.

**244.1.** Despite sections 42.1 and 42.2 and subject to sections 29.1, 42.6.1 and 42.6.2, if a supplier that is a government makes a supply by way of sale of movable property that is capital property of the supplier, the following rules apply:

(1) the supply is deemed to have been made in the course of activities of the supplier that are not commercial activities, if

(a) the supplier is a prescribed mandatary of the Gouvernement du Québec or a prescribed agent of Her Majesty in right of Canada for the purposes of the definition of “specified Crown agent” in subsection 1 of section 123 of the Excise Tax Act (R.S.C. 1985, c. E-15);

(b) the supplier is a registrant; and

(c) before the earlier of the time ownership of the property is transferred to the recipient of the supply and the time possession of the property is transferred to the recipient under the agreement for the supply, the supplier was last using the property otherwise than primarily in the course of commercial activities of the supplier; and

(2) where subparagraph *a* of paragraph 1 does not apply, the supply is deemed to have been made in the course of commercial activities of the supplier.

1994, c. 22, s. 498; 2015, c. 21, s. 666.

**244.2.** Where a registrant is a municipality or a person designated to be a municipality for the purposes of subdivision 5 of Division I of Chapter VII, section 234 applies, with the necessary modifications, in relation to movable property (other than a passenger vehicle, an aircraft of a registrant who is an individual or a partnership and property of a person designated to be a municipality for the purposes of that subdivision 5 that is not designated municipal property) acquired or brought into Québec by the registrant for use as capital property as if the movable property were an immovable.

2015, c. 21, s. 667.

**245.** For the purposes of sections 240 and 242 to 244, where an individual who is a registrant uses a musical instrument as capital property of the individual in an employment of the individual or in a business carried on by a partnership of which the individual is a member, that use is deemed to be use in commercial activities of the individual.

1991, c. 67, s. 245; 1997, c. 85, s. 563.

**246.** Sections 240 to 245 do not apply in respect of

(1) property of a registrant that is a financial institution or a prescribed registrant; or

(2) a passenger vehicle or an aircraft of a registrant who is an individual or a partnership;

(3) *(paragraph repealed)*.

1991, c. 67, s. 246; 1993, c. 19, s. 198; 1995, c. 63, s. 371; 2012, c. 28, s. 75.

## **2. — Passenger vehicle**

**247.** For the purpose of determining an input tax refund of a registrant in respect of a passenger vehicle that the registrant at a particular time acquired or brought into Québec for use as capital property in commercial activities of the registrant, the tax payable by the registrant in respect of the acquisition or bringing into Québec of the vehicle is deemed to be the lesser of

(1) an amount equal to the tax payable by the registrant in respect of the acquisition or bringing into Québec of the vehicle; and

(2) the amount determined by the formula

$$A \times B.$$

For the purposes of this formula,

(1) A is the tax that would be payable by the registrant in respect of the vehicle if the registrant acquired the vehicle at the particular time for consideration equal to the amount that would, under whichever of paragraphs *d.3* to *d.5* of section 99 of the Taxation Act (chapter I-3) applies in respect of the vehicle, be deemed to be, for the purposes of that section, the capital cost to a taxpayer of a passenger vehicle in respect of which that paragraph applies if the formula in sections 99R1 and 99R1.1 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) were read without reference to B; and

(2) B is

(a) where the registrant is deemed under section 242, 256 or 257 to have acquired the vehicle or a portion thereof at the particular time and the registrant was previously entitled to claim a rebate under subdivision 5 of Division I of Chapter VII in respect of the vehicle or any improvement to it, the difference between 100% and the percentage prescribed in section 386 or 386.1.1 that applied in determining the amount of the rebate, and

(b) in any other case, 100%.

1991, c. 67, s. 247; 1994, c. 22, s. 499; 1997, c. 85, s. 564; 2005, c. 38, s. 370; 2009, c. 5, s. 616; 2009, c. 15, s. 509; 2015, c. 21, s. 668; 2021, c. 18, s. 183.

**248.** If the consideration paid or payable by a registrant for an improvement to a passenger vehicle of the registrant increases the cost to the registrant of the vehicle to an amount that exceeds the amount that would, under whichever of paragraphs *d.3* to *d.5* of section 99 of the Taxation Act (chapter I-3) applies in respect of the vehicle, be deemed to be, for the purposes of that section, the capital cost to a taxpayer of a passenger vehicle in respect of which that paragraph applies if the formula in sections 99R1 and 99R1.1 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) were read without reference to B, the tax calculated on that excess must not be included in determining an input tax refund of the registrant for any reporting period of the registrant.

1991, c. 67, s. 248; 2009, c. 5, s. 617; 2009, c. 15, s. 510; 2021, c. 18, s. 184.

**249.** Where a registrant (other than a municipality), at any time in a reporting period of the registrant, makes a taxable supply by way of sale of a passenger vehicle (other than a vehicle that is designated municipal property of a person designated at that time to be a municipality for the purposes of subdivision 5 of Division I of Chapter VII) that, immediately before that time, was used as capital property in commercial activities of the registrant, the registrant may, despite sections 203 to 206, paragraph 1 of section 240 and sections 241 and 248, claim an input tax refund for that period equal to the amount determined by the formula

$$A \times [(B - C) / B].$$

For the purposes of this formula,

(1) A is the basic tax content of the vehicle at that time;

(2) B is the total of the tax that was payable by the registrant in respect of the last acquisition or bringing into Québec of the vehicle by the registrant and the tax that was payable by the registrant in respect of improvements to the vehicle acquired or brought into Québec by the registrant after the property was last so acquired or brought into Québec; and

(3) C is the total of all input tax refunds that the registrant was entitled to claim in respect of any tax included in the total referred to in subparagraph 2.

1991, c. 67, s. 249; 1993, c. 19, s. 199; 1994, c. 22, s. 500; 1995, c. 63, s. 372; 1997, c. 85, s. 565; 2015, c. 21, s. 669.

*3. — Passenger vehicle or aircraft of an individual, partnership or municipality*

2015, c. 21, s. 670.

**250.** Where a registrant who is an individual or a partnership acquires or brings into Québec a passenger vehicle or an aircraft for use as capital property of the registrant, the tax payable by the registrant in respect of the acquisition or bringing into Québec of the vehicle or aircraft shall not be included in determining an input tax refund of the registrant unless the vehicle or aircraft was acquired or brought into Québec by the registrant for use exclusively in commercial activities of the registrant.

This section does not apply in respect of tax deemed under section 252 to have been paid by the registrant.

1991, c. 67, s. 250; 1994, c. 22, s. 501; 1997, c. 85, s. 566.

**251.** Where a registrant who is an individual or a partnership acquires or brings into Québec an improvement to a passenger vehicle or an aircraft that is capital property of the registrant, the tax payable by the registrant in respect of the improvement shall not be included in determining an input tax refund of the registrant unless, throughout the period beginning on the later of the day the vehicle or aircraft was originally acquired or brought into Québec by the registrant and the day the individual or partnership becomes a registrant, and ending on the day tax in respect of the improvement becomes payable or is paid without having become payable, the vehicle or aircraft was used exclusively in commercial activities of the registrant.

1991, c. 67, s. 251; 1993, c. 19, s. 200; 1994, c. 22, s. 502; 1995, c. 63, s. 373.

**252.** Notwithstanding sections 250 and 251, for the purpose of determining an input tax refund of a registrant who is an individual or a partnership, where the registrant at a particular time acquires or brings into Québec a passenger vehicle or an aircraft for use as capital property of the registrant but not for use exclusively in commercial activities of the registrant and tax is payable by the registrant in respect of the acquisition or bringing into Québec, the following rules apply:

(1) the registrant is deemed to have acquired the vehicle or aircraft on the last day of each taxation year of the registrant ending after that time; and

(2) the registrant is deemed to have paid, at that time, tax in respect of the acquisition or bringing into Québec of the vehicle or aircraft equal to the amount determined by multiplying the following amount by 9.975/109.975:

(a) where an amount in respect of the vehicle or aircraft is required by section 41 or 111 of the Taxation Act (chapter I-3) to be included in computing the income of an individual for a taxation year of the individual ending in that taxation year of the registrant, nil, and

(b) in any other case, the part or amount, prescribed under the Taxation Act, of the capital cost of the vehicle or aircraft that was deducted under that Act in computing the income of the registrant from those commercial activities for that taxation year of the registrant.

1991, c. 67, s. 252; 1993, c. 19, s. 201; 1994, c. 22, s. 503; 1995, c. 63, s. 374; 1997, c. 85, s. 567; 2010, c. 5, s. 216; 2011, c. 6, s. 252; 2012, c. 28, s. 76.

**253.** Where a registrant who is an individual or a partnership acquired or brought into Québec a passenger vehicle or an aircraft for use as capital property exclusively in commercial activities of the registrant and the registrant begins, at any time, to use the vehicle or aircraft otherwise than exclusively in commercial activities of the registrant, the following rules apply:

(1) the registrant is deemed to have made, immediately before that time, a taxable supply by way of sale of the vehicle or aircraft; and

(2) the registrant is deemed to have collected, at that time, tax in respect of the supply equal to the basic tax content of the vehicle or aircraft immediately before that time.

Despite the first paragraph, where a registrant who is an individual or a partnership acquired or brought into Québec a passenger vehicle or an aircraft for use as capital property exclusively in commercial activities of the registrant and the registrant begins, on 1 January 2013, to use the property otherwise than exclusively in commercial activities of the registrant because of Division VI.1 of Chapter III, the following rules apply:

(1) the registrant is deemed to have made, immediately before 1 January 2013, a supply by way of sale of the vehicle or aircraft for no consideration; and

(2) the registrant is deemed to have received, on 1 January 2013, a supply by way of sale of the vehicle or aircraft for use otherwise than as capital property or as an improvement to capital property of the registrant.

1991, c. 67, s. 253; 1993, c. 19, s. 202; 1994, c. 22, s. 504; 1995, c. 63, s. 375; 1997, c. 85, s. 568; 2012, c. 28, s. 77.

### **253.1.** *(Repealed).*

1993, c. 19, s. 203; 1995, c. 63, s. 376.

**254.** For the purposes of section 252, where at any time a registrant is deemed under section 253 to have made a taxable supply of a passenger vehicle or aircraft, the following rules apply:

(1) the registrant is deemed to have acquired the vehicle or aircraft at that time; and

(2) tax is deemed to be payable at that time by the registrant in respect of the acquisition of the vehicle or aircraft.

1991, c. 67, s. 254.

**255.** Despite section 42.1 and subject to section 20.1, where a registrant who is an individual or a partnership (other than a municipality) makes, at a particular time, a supply by way of sale of a passenger vehicle or an aircraft (other than a vehicle or an aircraft that is designated municipal property of a person designated at the particular time to be a municipality for the purposes of subdivision 5 of Division I of Chapter VII) that is capital property of the registrant and, at any time after the individual or partnership became a registrant and before the particular time, the registrant did not use the vehicle or aircraft exclusively in commercial activities of the registrant, the supply is deemed not to be a taxable supply.

1991, c. 67, s. 255; 1993, c. 19, s. 204; 1994, c. 22, s. 505; 1995, c. 63, s. 377; 2001, c. 51, s. 273; 2015, c. 21, s. 671.

**255.0.1.** If a registrant (other than an individual or a partnership) that is a municipality or a person designated to be a municipality for the purposes of subdivision 5 of Division I of Chapter VII, at a particular time in a reporting period of the registrant, makes a taxable supply by way of sale of a passenger vehicle (other than a vehicle of a person designated to be a municipality for the purposes of that subdivision 5 that is not designated municipal property of the person) that, immediately before the particular time, was capital property of the registrant, the registrant may, despite sections 203 to 206, paragraph 1 of section 240 and sections 241 and 248, claim an input tax refund for that period equal to the lesser of

(1) the amount determined by the formula

$A \times (B - C) / B$ ; and

(2) an amount equal to the tax that is payable in respect of the taxable supply or that would be so payable but for sections 75.1 and 80.

For the purposes of the formula in the first paragraph,

(1) A is the basic tax content of the vehicle at the particular time;

(2) B is the total of the tax payable by the registrant in respect of the last acquisition or bringing into Québec of the vehicle by the registrant and the tax payable by the registrant in respect of improvements to the vehicle acquired or brought into Québec by the registrant after the property was last acquired or brought into Québec; and

(3) C is the total of all input tax refunds that the registrant is entitled to claim in respect of any tax included in the total described in subparagraph 2.

2015, c. 21, s. 672.

#### 4. — *Financial institution*

2012, c. 28, s. 78.

**255.1.** Where a registrant is a financial institution, sections 256 to 259 apply, with the necessary modifications, in relation to movable property acquired or brought into Québec by the financial institution for use as capital property of the financial institution, and to improvements to such movable property, as if the movable property were an immovable.

Where a registrant is a financial institution, section 233 applies, with the necessary modifications, in relation to movable property (other than a passenger vehicle) acquired or brought into Québec by the institution for use as capital property of the institution as if the movable property were an immovable.

The first and second paragraphs do not apply to movable property of a financial institution having a cost to the institution of \$50,000 or less.

Where a registrant that is a financial institution begins, on 1 January 2013, to use movable property having a cost to the institution of \$50,000 or less as capital property otherwise than primarily in the course of commercial activities of the registrant because of Division VI.1 of Chapter III, and the registrant last acquired or brought into Québec the movable property for use as capital property primarily in the course of commercial activities of the registrant, the following rules apply:

(1) the registrant is deemed to have made, immediately before 1 January 2013, a supply of the movable property by way of sale for no consideration; and

(2) the registrant is deemed to have received, on 1 January 2013, a supply of the movable property by way of sale for use otherwise than as capital property or an improvement to capital property of the registrant.

Despite the first paragraph, where a registrant that is a financial institution reduces or ceases, on 1 January 2013, the use of movable property having a cost to the institution exceeding \$50,000 as capital property in the course of commercial activities of the registrant because of Division VI.1 of Chapter III, and the registrant last acquired or brought into Québec the movable property for use as capital property primarily in the course of commercial activities of the registrant, the following rules apply:

(1) the registrant is deemed to have made, immediately before 1 January 2013, a supply of the movable property by way of sale and to have collected, at that time, tax in respect of the supply equal to the basic tax content of the movable property at that time;

(2) the registrant is deemed to have received, immediately after 31 December 2012, a supply of the movable property by way of sale and to have paid, at that time, tax in respect of the supply equal to the basic tax content of the movable property at that time; and

(3) the second paragraph does not apply in relation to the property.

2012, c. 28, s. 78.

**255.2.** Where an election made by a registrant under the first paragraph of section 297.0.2.1 becomes effective at a particular time, the registrant was a financial institution immediately before the particular time and, as a result of the election becoming effective, the registrant reduces at the particular time the extent to which movable property of the registrant is used as capital property in commercial activities of the registrant, sections 233, 258 and 259 apply, with the necessary modifications, to the reduction in use, as if the property were an immovable.

2012, c. 28, s. 78.

**255.3.** Where, at a particular time, a registrant becomes a financial institution and, immediately before that time, the registrant was using movable property of the registrant as capital property, the following rules apply:

(1) where, immediately before the particular time, the registrant was not using the movable property primarily in commercial activities of the registrant and, immediately after the particular time, the property is for use in commercial activities of the registrant, the registrant is deemed to have changed, at that time, the extent to which the property is used in commercial activities of the registrant, and section 256 applies, with the necessary modifications, to the change in use as if the property were an immovable that was not used, immediately before that time, in commercial activities of the registrant; and

(2) where, immediately before the particular time, the registrant was using the property primarily in commercial activities of the registrant and, immediately after that time, the property is not for use exclusively in commercial activities of the registrant, the registrant is deemed to have changed, at that time, the extent to which the property is used in commercial activities of the registrant, and sections 233, 258 and 259 apply, with the necessary modifications, to the change in use as if the property were an immovable used, immediately before that time, exclusively in commercial activities of the registrant.

Where a particular corporation that is not a financial institution is merged or amalgamated with one or more other corporations, in the circumstances described in section 76, to form a new corporation that is both a financial institution and a registrant and movable property that was capital property of the particular corporation becomes, at a particular time, the property of the new corporation as a consequence of the merger or amalgamation, the first paragraph applies to the property as if the new corporation became a financial institution at the particular time.

Where a particular corporation that is not a financial institution is wound up in the circumstances described in section 77, not less than 90% of the issued shares of each class of the capital stock of the corporation were, immediately before the winding-up, owned by another corporation that is both a financial institution and a registrant, and movable property that was capital property of the particular corporation becomes the property of the other corporation as a consequence of the winding-up, the first paragraph applies to the property as if the other corporation became a financial institution at the time of the winding-up.

2012, c. 28, s. 78.

**255.4.** Where, at a particular time, a registrant ceases to be a financial institution and, immediately before that time, the registrant was using movable property of the registrant as capital property, the following rules apply:

(1) where, immediately before the particular time, the registrant was using the movable property as capital property but not exclusively in commercial activities of the registrant and, immediately after that time, the property is for use primarily in commercial activities of the registrant, the registrant is deemed to have

begun, at that time, to use the property exclusively in commercial activities of the registrant, and sections 256 and 257 apply, with the necessary modifications, to the change in use as if the property were an immovable; and

(2) where, immediately before the particular time, the registrant was using the property as capital property in commercial activities of the registrant and, immediately after that time, the property is not for use primarily in commercial activities of the registrant, the registrant is deemed to have ceased, at that time, to use the property in commercial activities of the registrant, and sections 233 and 258 apply, with the necessary modifications, to the change in use as if the property were an immovable.

2012, c. 28, s. 78.

**255.5.** Despite section 239, where, as a consequence of acquiring a business or part of a business from a registrant, a financial institution that is a registrant is deemed, under section 75.1, to have acquired property for use exclusively in commercial activities of the institution and, immediately after possession of the property is transferred to the institution in accordance with the agreement for the supply of the business or part, the property is for use by the institution as capital property but not exclusively in commercial activities of the institution, sections 233, 258 and 259 apply, with the necessary modifications, to the change in use of the property as if the property were an immovable.

2012, c. 28, s. 78.

**255.6.** Despite section 239, where, as a consequence of acquiring a business or part of a business from a registrant, a financial institution that is a registrant is deemed, under section 75.1, to have acquired property for use exclusively in activities of the institution other than commercial activities and, immediately after possession of the property is transferred to the institution in accordance with the agreement for the supply of the business or part, the property is for use by the institution as capital property in commercial activities of the institution, section 256 applies, with the necessary modifications, to the change in use of the property as if the property were an immovable.

2012, c. 28, s. 78.

### III. — *Immovable*

#### 1. — *General provisions*

**256.** Where a registrant last acquired an immovable for use as capital property of the registrant but not for use in commercial activities of the registrant and the registrant begins, at a particular time, to use the immovable as capital property in commercial activities of the registrant, except where the registrant becomes a registrant at the particular time, the registrant is deemed

(1) to have received, at the particular time, a supply of the immovable by way of sale; and

(2) except where the supply is an exempt supply, to have paid, at the particular time, tax in respect of the supply equal to the basic tax content of the immovable at the particular time.

1991, c. 67, s. 256; 1994, c. 22, s. 505; 1997, c. 85, s. 569.

**257.** Where a registrant last acquired an immovable for use as capital property in commercial activities of the registrant and the registrant increases, at a particular time, the extent to which the immovable is used in commercial activities of the registrant, for the purpose of determining an input tax refund of the registrant, the registrant is deemed

(1) to have received, immediately before the particular time, a supply of a portion of the immovable for use as capital property exclusively in commercial activities of the registrant; and



(2) except where the supply is an exempt supply, to have paid, at the particular time, tax in respect of the supply equal to the amount determined by the formula

$$A \times B.$$

For the purposes of this formula,

(1) A is the basic tax content of the immovable at the particular time; and

(2) B is the extent, expressed as a percentage of the total use of the immovable by the registrant at the particular time, to which the registrant increased the use of the immovable in commercial activities of the registrant at the particular time;

(3) *(subparagraph repealed)*.

1991, c. 67, s. 257; 1994, c. 22, s. 505; 1997, c. 85, s. 570.

**258.** Where a registrant last acquired an immovable for use as capital property in commercial activities of the registrant and the registrant begins, at a particular time, to use the immovable exclusively for other purposes, the registrant is deemed

(1) to have made, immediately before the particular time, a supply of the immovable by way of sale and, except where the supply is an exempt supply, to have collected, at the particular time, tax in respect of the supply equal to the basic tax content of the immovable at the particular time; and

(2) to have received, at the particular time, a supply of the immovable by way of sale and, except where the supply is an exempt supply, to have paid, at the particular time, tax in respect of the supply equal to the amount determined under subparagraph 1.

1991, c. 67, s. 258; 1994, c. 22, s. 505; 1997, c. 85, s. 571.

**259.** Except where section 258 applies, where a registrant last acquired an immovable for use as capital property in commercial activities of the registrant and the registrant reduces, at a particular time, the extent to which the immovable is used in commercial activities of the registrant, for the purpose of determining the net tax of the registrant for the reporting period of the registrant that includes the particular time, the registrant is deemed

(1) to have made a supply of a portion of the immovable immediately before the particular time; and

(2) except where the supply is an exempt supply, to have collected, at the particular time, tax in respect of the supply equal to the amount determined by the formula

$$A \times B.$$

For the purposes of this formula,

(1) A is the basic tax content of the immovable at the particular time; and

(2) B is the extent, expressed as a percentage of the total use of the immovable by the registrant at the particular time, to which the registrant reduced the use of the immovable in commercial activities of the registrant at the particular time;

(3) *(subparagraph repealed)*.

1991, c. 67, s. 259; 1994, c. 22, s. 505; 1997, c. 85, s. 572.

**259.1.** Despite sections 258 and 259, where, on 1 January 2013, a registrant reduces the extent to which an immovable is used as capital property in commercial activities of the registrant or ceases to use the immovable as capital property in such activities, because of Division VI.1 of Chapter III, the following rules apply:

(1) the registrant is deemed to have made, immediately before 1 January 2013, a supply of the immovable by way of sale and, except where the supply is an exempt supply, to have collected, at that time, tax in respect of the supply equal to the basic tax content of the immovable at that time; and

(2) the registrant is deemed to have received, immediately after 31 December 2012, a supply of the immovable by way of sale and, except where the supply is an exempt supply, to have paid, at that time, tax in respect of the supply equal to the basic tax content of the immovable at that time.

2012, c. 28, s. 79.

**260.** Subject to section 272, sections 256 to 259.1 do not apply in respect of property acquired by a registrant who is an individual, a public sector body that is not a financial institution, or a prescribed registrant.

1991, c. 67, s. 260; 2012, c. 28, s. 80.

## 2. — *Individual*

**261.** Where an individual who is a registrant last acquired an immovable for use as capital property in commercial activities of the individual, and not primarily for the personal use and enjoyment of the individual or a related individual, and the individual begins, at a particular time, to use the immovable exclusively for other purposes, or primarily for the personal use and enjoyment of the individual or a related individual, the individual is deemed

(1) to have made, immediately before the particular time, a supply of the immovable by way of sale and, except where the supply is an exempt supply, to have collected, at the particular time, tax in respect of the supply equal to the amount determined by the formula

$A - B;$

(2) to have received, at the particular time, a supply of the immovable by way of sale and, except where the supply is an exempt supply, to have paid, at the particular time, tax in respect of the supply equal to the amount determined under subparagraph 1.

For the purposes of the formula in subparagraph 1 of the first paragraph,

(1) A is the basic tax content of the immovable at the particular time; and

(2) B is the tax, if any, that the individual is deemed under section 221 or sections 222.1 to 222.3 to have collected at the particular time in respect of the immovable;

(3) *(subparagraph repealed)*;

(4) *(subparagraph repealed)*.

1991, c. 67, s. 261; 1994, c. 22, s. 506; 1997, c. 85, s. 573.

**262.** Except where section 261 applies, where an individual who is a registrant last acquired an immovable for use as capital property in commercial activities of the individual, and not primarily for the personal use and enjoyment of the individual or a related individual, and the individual reduces, at a particular time, the extent to which the immovable is used in commercial activities of the individual without beginning to use the immovable primarily for the personal use and enjoyment of the individual or a related individual, for the purposes of determining the net tax of the individual, the individual is deemed

(1) to have made, immediately before the particular time, a supply by way of sale of a portion of the immovable; and

(2) except where the supply is an exempt supply, to have collected, at the particular time, tax in respect of the supply equal to the amount determined by the formula

$$(A \times B) - C.$$

For the purposes of this formula,

(1) A is the basic tax content of the immovable at the particular time;

(2) B is the extent, expressed as a percentage of the total use of the immovable by the individual at the particular time, to which the individual reduced the use of the immovable in commercial activities of the individual at the particular time; and

(3) C is the tax, if any, that the individual is deemed under section 221 or sections 222.1 to 222.3 to have collected at the particular time in respect of the immovable.

1991, c. 67, s. 262; 1994, c. 22, s. 506; 1997, c. 85, s. 574.

**262.1.** Despite sections 261 and 262, where an individual is a registrant who, on 1 January 2013, reduces the extent to which an immovable is used as capital property in commercial activities of the registrant or ceases to use the immovable as capital property in such activities, because of Division VI.1 of Chapter III, and, immediately before 1 January 2013, the registrant used the immovable in commercial activities of the individual, and not primarily for the personal use and enjoyment of the individual or a related individual, the following rules apply:

(1) the registrant is deemed to have made, immediately before 1 January 2013, a supply of the immovable by way of sale and, except where the supply is an exempt supply, to have collected, at that time, tax in respect of the supply equal to the basic tax content of the immovable at that time; and

(2) the registrant is deemed to have received, immediately after 31 December 2012, a supply of the immovable by way of sale and, except where the supply is an exempt supply, to have paid, at that time, tax in respect of the supply equal to the basic tax content of the immovable at that time.

2012, c. 28, s. 81.

**263.** Subject to sections 264 to 266, where an individual who is a registrant acquires an immovable for use as capital property of the individual but primarily for the personal use and enjoyment of the individual or a

related individual, the tax payable by the individual in respect of the acquisition of the immovable shall not be included in determining an input tax refund of the individual.

1991, c. 67, s. 263; 1994, c. 22, s. 506.

**264.** Where an individual who is a registrant last acquired an immovable for use as capital property of the individual and primarily for the personal use and enjoyment of the individual or a related individual or for use otherwise than in commercial activities of the individual, and the individual begins, at a particular time, to use the immovable as capital property in commercial activities of the individual and not primarily for the personal use and enjoyment of the individual or a related individual, the individual is deemed

(1) to have received, at the particular time, a supply by way of sale of the immovable; and

(2) except where the supply is an exempt supply, to have paid, at the particular time, tax in respect of the supply equal to the basic tax content of the immovable at the particular time.

1991, c. 67, s. 264; 1994, c. 22, s. 506; 1997, c. 85, s. 575.

**265.** Where an individual who is a registrant last acquired an immovable for use as capital property in commercial activities of the individual and not primarily for the personal use and enjoyment of the individual or a related individual, and the individual increases, at a particular time, the extent to which the immovable is used in commercial activities of the individual without beginning to use the immovable primarily for the personal use and enjoyment of the individual or a related individual, for the purposes of determining an input tax refund of the individual, the individual is deemed

(1) to have received, at the particular time, a supply by way of sale of a portion of the immovable for use as capital property exclusively in commercial activities of the individual; and

(2) except where the supply is an exempt supply, to have paid, at the particular time, tax in respect of the supply equal to the amount determined by the formula

$$A \times B.$$

For the purposes of this formula,

(1) A is the basic tax content of the immovable at the particular time; and

(2) B is the extent, expressed as a percentage of the total use of the immovable by the individual at the particular time, to which the individual increased the use of the immovable in commercial activities of the individual at the particular time.

1991, c. 67, s. 265; 1994, c. 22, s. 506; 1997, c. 85, s. 576.

**266.** Where an individual who is a registrant brings into Québec or acquires an improvement to an immovable that is capital property of the individual, the tax payable by the individual in respect of the improvement shall not be included in determining an input tax refund of the individual if, at the time that tax becomes payable or is paid without having become payable, the immovable is primarily for the personal use and enjoyment of the individual or a related individual.

1991, c. 67, s. 266; 1994, c. 22, s. 506.

3. — *Public sector body*

**267.** If a registrant is a public service body (other than a financial institution or a government), sections 42.6.1, 42.6.2 and 240 to 244 apply, with the necessary modifications, to an immovable acquired by the registrant for use as capital property of the registrant or, in the case of section 241, to improvements to an immovable that is capital property of the registrant, as if the immovable were movable property.

1991, c. 67, s. 267; 1994, c. 22, s. 506; 1997, c. 3, s. 135; 2001, c. 53, s. 317; 2012, c. 28, s. 82; 2015, c. 21, s. 673.

**267.1.** If a registrant (other than a financial institution) is a prescribed mandatory of the Gouvernement du Québec or a prescribed agent of Her Majesty in right of Canada for the purposes of the definition of “specified Crown agent” in subsection 1 of section 123 of the Excise Tax Act (R.S.C. 1985, c. E-15), sections 42.6.1, 42.6.2, 240 to 243 and 244.1 apply, with the necessary modifications, to an immovable acquired by the registrant for use as capital property of the registrant or, in the case of section 241, to improvements to an immovable that is capital property of the registrant, as if the immovable were movable property.

2015, c. 21, s. 674.

**268.** Despite sections 267 and 267.1, sections 42.6.1, 42.6.2, 244 and 244.1 do not apply to

- (1) a supply of a residential complex or an interest in one made by way of sale; or
- (2) a supply of an immovable made by way of sale to an individual.

1991, c. 67, s. 268; 1994, c. 22, s. 506; 2001, c. 53, s. 318; 2015, c. 21, s. 675.

**269.** *(Repealed).*

1991, c. 67, s. 269; 1994, c. 22, s. 507.

**270.** *(Repealed).*

1991, c. 67, s. 270; 1994, c. 22, s. 507.

4. — *Public service body*

**271.** *(Repealed).*

1991, c. 67, s. 271; 1994, c. 22, s. 507.

**272.** Where a public service body files an election under this section in respect of an immovable described in the second paragraph, throughout the period the election is in effect, sections 233 and 256 to 260 apply, and sections 267, 267.1 and 268 do not apply to the immovable.

The immovable referred to in the first paragraph is

- (1) an immovable that is capital property of the body;
- (2) an immovable of the body that is held by the body in inventory for the purpose of supply; or
- (3) an immovable acquired by the body by way of lease, licence or similar arrangement for the purpose of making a supply of the immovable by way of lease, licence or similar arrangement or making a supply of the arrangement by way of assignment.

1991, c. 67, s. 272; 1994, c. 22, s. 508; 2015, c. 21, s. 676.

**273.** Where a public service body has filed an election under section 272 that takes effect on a particular day in respect of an immovable described in subparagraph 1 or 2 of the second paragraph of the said section

and the body does not acquire the immovable on that day or become a registrant on that day, the body is deemed

(1) to have made, immediately before the particular day, a taxable supply of the immovable by way of sale and to have collected, on the particular day, tax in respect of the supply equal to the basic tax content of the immovable on the particular day; and

(2) to have received, on the particular day, a taxable supply of the immovable by way of sale and to have paid, on the particular day, tax in respect of the supply equal to the amount determined under paragraph 1.

1991, c. 67, s. 273; 1994, c. 22, s. 508; 1997, c. 85, s. 577.

**274.** An election under section 272 in respect of an immovable of a public service body is effective for the period beginning on the day specified in the election and ending on the day that the body specifies in a notice of revocation of the election filed under section 276.

1991, c. 67, s. 274.

**275.** Where an election made under section 272 by a public service body in respect of an immovable described in subparagraph 1 or 2 of the second paragraph of the said section is revoked and ceases to be effective on a particular day and the body does not cease to be a registrant on that day, the body is deemed

(1) to have made, immediately before that day, a taxable supply of the immovable by way of sale and to have collected, on that day, tax in respect of the supply equal to the basic tax content of the immovable on that day; and

(2) to have received, on that day, a taxable supply of the immovable by way of sale and to have paid, on that day, tax in respect of the supply equal to the basic tax content of the immovable on that day.

1991, c. 67, s. 275; 1994, c. 22, s. 509; 2007, c. 12, s. 323.

**276.** An election made under section 272 by a public service body and a notice of revocation of such an election shall

(1) be made in prescribed form containing prescribed information;

(2) specify the immovable in respect of which the election or notice applies and the day the election becomes effective or, in the case of a notice of revocation, ceases to be effective; and

(3) be filed with and as prescribed by the Minister within one month after the end of the reporting period of the body in which the election becomes effective or, in the case of a notice of revocation, ceases to be effective.

1991, c. 67, s. 276.

#### § 6. — *Bets and games of chance*

**277.** Where a commercial activity of a registrant, other than a registrant to whom section 279 applies, consists of taking bets or conducting games of chance and, in the course of that activity, the registrant pays an amount of money in a reporting period as a prize or winnings to a bettor or a person playing or participating in the games, the following rules apply for the purpose of determining an input tax refund of the registrant:

(1) the registrant is deemed to have received in the reporting period a taxable supply of a service for use exclusively in the activity;

(2) the registrant is deemed to have paid, in that period, tax in respect of the supply equal to the tax fraction of the amount of money paid as the prize or winnings.

1991, c. 67, s. 277.

**278.** Where, in the course of an activity that involves the organization, promotion, hosting or other staging of a competitive event, a person gives a prize to a competitor in the event, the following rules apply:

(1) the giving of the prize is deemed not to be a supply;

(2) the prize is deemed not to be consideration for a supply by the competitor to the person; and

(3) tax payable by the person in respect of any property given as the prize shall not be included in determining any input tax refund of the person for any reporting period.

1991, c. 67, s. 278; 1995, c. 63, s. 378.

**279.** Where a registrant is a prescribed registrant at any time in a reporting period, the registrant's net tax for the period shall be determined in prescribed manner.

1991, c. 67, s. 279; 1993, c. 19, s. 205; 1994, c. 22, s. 510.

*§ 6.1. — Deemed supply between branches of a financial institution*

2012, c. 28, s. 83.

**279.1.** In this subdivision, the following rules apply:

(1) “external charge”, “qualifying consideration”, “qualifying service” and “qualifying taxpayer” have the meaning assigned by section 26.2; and

(2) an amount that is an internal charge is an amount described in the fourth paragraph of section 26.3.

2012, c. 28, s. 83; 2022, c. 23, s. 187.

**279.2.** Any outlay or expense that, in accordance with subsection 2 of section 217.1 of the Excise Tax Act (R.S.C. 1985, c. E-15), is included in the outlays made or expenses incurred outside Canada for the purposes of Division IV of Part IX of that Act is also an outlay made or an expense incurred outside Canada for the purposes of this subdivision.

2012, c. 28, s. 83.

**279.3.** For the purpose of determining an input tax refund or an eligible amount, within the meaning of section 402.13, of a qualifying taxpayer, where an amount (in this section referred to as a “qualifying expenditure”) of qualifying consideration, or of an external charge, of the qualifying taxpayer in respect of an outlay made, or expense incurred, outside Canada that is attributable to the whole or part of a property (in this section referred to as an “attributable property”) or of a qualifying service (in this section referred to as an “attributable service”) is greater than zero and, during a reporting period of the qualifying taxpayer during which the qualifying taxpayer is a registrant, tax under section 18 becomes payable by the qualifying taxpayer or is paid by the qualifying taxpayer without having become payable, in respect of the qualifying expenditure, the following rules apply:

(1) the attributable property or attributable service is deemed to have been acquired by the qualifying taxpayer at the time at which the outlay was made or the expense was incurred;

(2) the tax is deemed to be in respect of a supply of the attributable property or attributable service; and

(3) the extent to which the qualifying taxpayer acquired the attributable property or attributable service for consumption, use or supply in the course of commercial activities of the qualifying taxpayer is deemed to be the same extent as that to which the whole or part of the outlay or expense, which corresponds to the qualifying expenditure, was made or incurred to consume, use or supply the attributable property or attributable service in the course of commercial activities of the qualifying taxpayer.

For the purpose of determining an input tax refund of a qualifying taxpayer in respect of an attributable property or an attributable service, a reference in sections 199 and 199.1 to a property or a service is to be read as a reference to an attributable property or an attributable service.

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2012, c. 28, s. 83; 2020, c. 16, s. 202.

**279.4.** For the purpose of determining an input tax refund or an eligible amount, within the meaning of section 402.13, of a qualifying taxpayer, where tax (in this section referred to as the “internal tax”) under section 18 becomes payable by the qualifying taxpayer or is paid by the qualifying taxpayer without having become payable, in respect of an internal charge and the internal charge is determined based in whole or in part on the inclusion of an outlay made, or an expense incurred, outside Canada by the qualifying taxpayer that is attributable to the whole or part of a property (in this section referred to as an “internal property”) or of a qualifying service (in this section referred to as an “internal service”), the following rules apply:

(1) the internal property or internal service is deemed to have been supplied to the qualifying taxpayer at the time the outlay was made or the expense was incurred;

(2) the amount of the internal tax that can reasonably be attributed to the outlay or expense is deemed to be tax (in this subparagraph referred to as “attributed tax”) in respect of the supply of the internal property or internal service, and the attributed tax is deemed to have become payable at the time the internal tax becomes payable by the qualifying taxpayer or is paid by the qualifying taxpayer without having become payable; and

(3) the extent to which the qualifying taxpayer acquired the internal property or internal service for consumption, use or supply in the course of commercial activities of the qualifying taxpayer is deemed to be the same extent as that to which the outlay or expense was made or incurred to consume, use or supply the internal property or internal service in the course of commercial activities of the qualifying taxpayer.

For the purpose of determining an input tax refund of a qualifying taxpayer in respect of an internal property or an internal service, a reference in sections 199 and 199.1 to a property or a service is to be read as a reference to an internal property or an internal service.

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2012, c. 28, s. 83; 2020, c. 16, s. 203.

§ 7. —

*Repealed, 2012, c. 28, s. 84.*

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2012, c. 28, s. 84.

**280.** *(Repealed).*

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1991, c. 67, s. 280; 2012, c. 28, s. 84.

**281.** *(Repealed).*

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1991, c. 67, s. 281; 2012, c. 28, s. 84.



§ 8. —

*Repealed, 1997, c. 85, s. 578.*

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1997, c. 85, s. 578.

**282.** *(Repealed).*

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1991, c. 67, s. 282; 1997, c. 85, s. 578.

§ 9. —

*Repealed, 1995, c. 1, s. 285.*

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1995, c. 1, s. 285.

**283.** *(Repealed).*

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1991, c. 67, s. 283; 1995, c. 1, s. 285.

**284.** *(Repealed).*

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1991, c. 67, s. 284; 1995, c. 1, s. 285.

## CHAPTER VI

### SPECIAL CASES

#### DIVISION I

##### CHANGE IN USE

**285.** Where a registrant who is an individual and who has, in the course of commercial activities of the registrant, acquired, manufactured or produced any property, other than capital property of the registrant, or acquired or performed any service, appropriates the property or service, at any time, for the personal consumption, use or enjoyment of the registrant or another individual related to the registrant, the following rules apply:

(1) the registrant is deemed to have made a supply of the property or service for consideration paid at that time equal to the fair market value of the property or service at that time; and

(2) except where the supply is an exempt supply, the registrant is deemed to have collected, at that time, tax in respect of the supply, calculated on that consideration.

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1991, c. 67, s. 285.

**286.** Where at any time a registrant that is a corporation, trust, partnership, charity, public institution or non-profit organization appropriates any property, other than capital property of the registrant, that was acquired, manufactured or produced, or any service acquired or performed, in the course of commercial activities of the registrant, to or for the benefit of a shareholder, partner, beneficiary or member of the registrant or any individual related to such a shareholder, partner, beneficiary or member, in any manner whatever, otherwise than by way of a supply made for consideration equal to the fair market value of the property or service, the following rules apply:

(1) the registrant is deemed to have made a supply of the property or service for consideration paid at that time equal to the fair market value of the property or service at that time; and

(2) except where the supply is an exempt supply, the registrant is deemed to have collected, at that time, tax in respect of the supply, calculated on that consideration.

1991, c. 67, s. 286; 1995, c. 63, s. 379; 1997, c. 85, s. 579.

**287.** Sections 285 and 286 do not apply to property or a service appropriated by a registrant to or for the benefit of a person where

(1) the registrant was, by reason of section 203 or 206, not entitled to claim an input tax refund in respect of the last acquisition or bringing into Québec of the property or service by the registrant; or

(2) Division II applies to the property or service so appropriated for the purpose of making it available to the person.

1991, c. 67, s. 287; 1993, c. 19, s. 206; 1994, c. 22, s. 511; 1995, c. 63, s. 380; 2019, c. 14, s. 546.

**287.1.** Where a person who is not a registrant receives a zero-rated supply of a motor vehicle under section 197.2 and, at any time, begins to consume or use the motor vehicle, supplies it for any purpose other than those referred to in that section or causes it to be consumed or used at the person's expense by another person, the person is deemed to have received a taxable supply of the motor vehicle for consideration paid at that time equal to its market value or to its estimated value described in section 55.0.2, whichever is greater, at that time.

2001, c. 51, s. 274.

**287.2.** Where a registrant receives a zero-rated supply of a motor vehicle under section 197.2 or brings into Québec a motor vehicle acquired by way of a supply made outside Québec in circumstances in which the vehicle, had it been acquired by way of a supply in Québec in the same circumstances, would have been acquired by way of a zero-rated supply under section 197.2 and, at any time, the registrant begins to consume or use the motor vehicle or supplies it for any purpose other than those referred to in section 197.2,

(1) the registrant is deemed

(a) to have made, immediately before that time, a supply of the vehicle by way of sale;

(b) to have collected, at that time, tax in respect of the supply calculated on the market value of the supply or on its estimated value described in section 55.0.2, whichever is greater, at that time; and

(2) the registrant is deemed to have received, at that time, a supply of the vehicle by way of sale and to have paid tax in respect of the supply calculated on its market value or on its estimated value described in section 55.0.2, whichever is greater, at that time.

2001, c. 51, s. 274; 2019, c. 14, s. 547.

**287.3.** *(Repealed).*

2001, c. 51, s. 274; 2019, c. 14, s. 548.

**288.** *(Repealed).*

1991, c. 67, s. 288; 1993, c. 19, s. 207; 1994, c. 22, s. 512.

**288.1.** *(Repealed).*

1993, c. 19, s. 208; 1995, c. 1, s. 286; 1995, c. 63, s. 381.

**288.2.** *(Repealed).*

1993, c. 19, s. 208; 1995, c. 1, s. 287; 1995, c. 63, s. 381.

**289.** *(Repealed).*

1991, c. 67, s. 289; 1995, c. 63, s. 381.

**289.1.** *(Repealed).*

1993, c. 19, s. 209; 1995, c. 63, s. 381.

**DIVISION I.1**

**PENSION PLANS**

2011, c. 34, s. 146.

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

2015, c. 21, s. 678.

**289.2.** In this division,

“active member” has the meaning assigned by subsection 1 of section 8500 of the Income Tax Regulations made under the Income Tax Act (R.S.C. 1985, c. 1 (5th Suppl.));

“defined benefits pension plan” means the part of a pension plan that is in respect of benefits under the plan that are determined in accordance with a formula set forth in the plan and under which the employer contributions are not determined in accordance with a formula set forth in the plan;

“defined contribution pension plan” means the part of a pension plan that is not a defined benefits pension plan;

“employer resource” of a person means

(1) all or part of a labour activity of the person, other than a part of the labour activity consumed or used by the person in the process of creating or developing a property;

(2) all or part of a property or service supplied to the person, other than a part of the property or service consumed or used by the person in the process of creating or developing a property;

(3) all or part of a property created or developed by the person; or

(4) one or more of the items referred to in paragraphs 1 to 3;

“excluded activity”, in respect of a pension plan, means an activity undertaken exclusively

(1) for compliance by a participating employer of the pension plan as an issuer, or prospective issuer, of securities with reporting requirements under a law of Québec, another province, the Northwest Territories, the Yukon Territory, Nunavut or Canada in respect of the regulation of securities;

(2) for evaluating the feasibility or financial impact on a participating employer of the pension plan of establishing, altering or winding-up the pension plan, other than an activity that relates to the preparation of an actuarial report in respect of the plan required under a law of Québec, another province, the Northwest Territories, the Yukon Territory, Nunavut or Canada;

(3) for evaluating the financial impact of the pension plan on the assets and liabilities of a participating employer of the pension plan;

(4) for negotiating changes to the benefits under the pension plan with a union or similar organization of employees;

(4.1) if the pension plan is a pooled registered pension plan, for compliance by a participating employer of the pension plan as an administrator of the pension plan with requirements under the Pooled Registered Pension Plans Act (S.C. 2012, c. 16) or a similar law of a province, the Northwest Territories, the Yukon

Territory or Nunavut, provided the activity is undertaken exclusively for the purpose of making a taxable supply of a service to a pension entity of the pension plan that is to be made

(a) for consideration that is not less than the fair market value of the service, and

(b) at a time when no election under the first paragraph of section 289.9 made jointly by the participating employer and the pension entity is in effect; or

(4.2) in relation to a part of the pension plan that is a defined contribution pension plan or that is a defined benefits pension plan, if no pension entity of the pension plan administers that part of the pension plan or holds assets in respect of that part of the pension plan; or

(5) for prescribed purposes;

“labour activity” of a person means anything done by an individual who is or agrees to become an employee of the person in the course of, or in relation to, the office or employment of that individual;

“master pension factor”, in respect of a pension plan for a fiscal year of a master pension entity, means the amount (expressed as a percentage) determined by the formula

$A / B$ ;

“master pension group” in respect of a particular person and another person means the group of one or more pension plans that consists of every pension plan that meets the following conditions:

(1) the particular person is a participating employer of the pension plan; and

(2) the other person is a master pension entity of the pension plan;

“pension activity”, in respect of a pension plan, means an activity (other than an excluded activity) that relates to

(1) the establishment, management or administration of the pension plan, of a pension entity of the pension plan or of a master pension entity of the pension plan; or

(2) the management or administration of assets in respect of the pension plan, including assets held by a pension entity or master pension entity of the pension plan;

“provincial factor” in respect of a pension plan, for a fiscal year of a person that is a participating employer of the pension plan, means an amount (expressed as a percentage) determined by the formula

$A \times B$ ;

“qualifying employer” of a pension plan for a fiscal year means a qualifying employer for that fiscal year for the purposes of section 172.1 of the Excise Tax Act (R.S.C. 1985, c. E-15);

“selected qualifying employer” of a pension plan for a fiscal year means a selected qualifying employer for that fiscal year for the purposes of section 172.1 of the Excise Tax Act.

“specified resource” means property or a service that is acquired by a person for the purpose of making a supply of all or part of the property or service to a pension entity or a master pension entity of a pension plan of which the person is a participating employer.

For the purposes of the formula in the definition of “master pension factor” in the first paragraph,

(1) A is the total value, on the first day of the fiscal year, of the shares or units of the master pension entity that are held by pension entities of the pension plan on that day; and

(2) B is the total value, on the first day of the fiscal year, of the shares or units of the master pension entity.

For the purposes of the formula in the definition of “provincial factor” in the first paragraph,

(1) A is the tax rate applicable, specified in the first paragraph of section 16, on the last day of the fiscal year; and

(2) B is

(a) where the person made contributions to the pension plan during the fiscal year that may be deducted by the person under section 137 of the Taxation Act in computing its income (in the fourth paragraph referred to as “pension contributions”) and the number of active members of the pension plan who were employees of the person on the last day of the last calendar year ending on or before the last day of the fiscal year (in this paragraph and the fourth paragraph referred to as the “particular day”) is greater than zero, the amount determined by the formula

$$[(C/D) + (E/F)]/2;$$

(b) where subparagraph *a* does not apply and the number of active members of the pension plan who were employees of the person on the particular day is greater than zero, the amount determined by the formula

$E/F$ ; and

(c) in any other case, zero.

For the purposes of the formulas in subparagraphs *a* and *b* of subparagraph 2 of the third paragraph,

(1) C is the total of all pension contributions made to the pension plan by the person during the fiscal year in respect of employees of the person who were resident in Québec on the particular day;

(2) D is the total of all pension contributions made to the pension plan by the person during the fiscal year in respect of employees of the person;

(3) E is the number of active members of the pension plan who were, on the particular day, employees of the person and resident in Québec; and

(4) F is the number of active members of the pension plan who were, on the particular day, employees of the person.

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2011, c. 34, s. 146; 2015, c. 21, s. 679; 2015, c. 36, s. 205; 2020, c. 16, s. 204.

**289.3.** For the purposes of this division, a property or a service that is supplied to a particular person that is a participating employer of a pension plan by another person is an excluded resource of the particular person in respect of the pension plan if

(1) for each pension entity and master pension entity of the pension plan, no tax would become payable under this Title in respect of the supply if

(a) the supply were made by the other person to the pension entity or to the master pension entity, as the case may be, and not to the particular person, and

(b) the pension entity or the master pension entity, as the case may be, and the other person were dealing at arm's length; and

(2) where the supply is a supply of corporeal movable property made outside Québec, the supply would not be a supply in respect of which section 18 would apply if the particular person were a registrant not engaged exclusively in commercial activities.

2011, c. 34, s. 146; 2020, c. 16, s. 205.

**289.4.** For the purposes of subdivision 2, if a person is a participating employer of a pension plan and the pension plan has,

(1) at all times in a fiscal year of the person, no more than one pension entity, that pension entity is the specified pension entity of the pension plan in respect of the person for the fiscal year; and

(2) in the fiscal year, two or more pension entities, the person and one of those pension entities may jointly elect, in a document in the form and containing the information determined by the Minister, for that pension entity to be the specified pension entity of the pension plan in respect of the person for the fiscal year.

2011, c. 34, s. 146; 2013, c. 10, s. 219; 2020, c. 16, s. 206.

§ 2. — *Deemed taxable supply*

2015, c. 21, s. 680.

**289.5.** If a person is both a registrant and a participating employer of a pension plan at any time in a fiscal year of the person (in this section referred to as the “particular fiscal year”) and is not a selected qualifying employer of the pension plan at that time, if the person acquires at that time a specified resource for the purpose of making a supply of all or part of the specified resource to a pension entity of the pension plan for consumption, use or supply by the pension entity in the course of pension activities in respect of the pension plan and if the specified resource is not an excluded resource of the person in respect of the pension plan, the following rules apply:

(1) the person is deemed to have made a taxable supply of the specified resource or part on the last day of the particular fiscal year;

(2) tax in respect of the taxable supply referred to in subparagraph 1 is deemed to have become payable on the last day of the particular fiscal year and the person is deemed to have collected that tax on that day;

(3) the tax referred to in subparagraph 2 is deemed to be equal to the amount determined by the formula

$A \times B$ ; and

(4) for the purpose of determining an input tax refund of the pension entity and for the purposes of subdivision 6.6 of Division I of Chapter VII and sections 450.0.1 to 450.0.12, the pension entity is deemed

(a) to have received a supply of the specified resource or part on the last day of the particular fiscal year,

(b) except where the pension entity is a selected listed financial institution on the last day of the particular fiscal year, to have paid tax in respect of the supply referred to in subparagraph a, on that day, equal to the amount determined by the formula

C — D, and

(c) to have acquired the specified resource or part for consumption, use or supply in the course of its commercial activities to the same extent that the specified resource or part was acquired by the person for the purpose of making a supply of the specified resource or part to the pension entity for consumption, use or supply by the pension entity in the course of pension activities in respect of the pension plan that are commercial activities of the pension entity.

For the purposes of the formulas in the first paragraph,

- (1) A is the fair market value of the specified resource or part at the time it was acquired by the person;
  - (2) B is the provincial factor in respect of the pension plan for the particular fiscal year;
  - (3) C is the amount of tax determined in accordance with subparagraph 3 of the first paragraph; and
  - (4) D is the total of all amounts each of which is a part of the amount determined in accordance with subparagraph 3
- (a) that is not included in determining the person's net tax for the reporting period that includes the last day of the particular fiscal year, or
- (b) that the person has recovered or is entitled to recover by way of rebate, refund or remission, or otherwise, under this or any other Act.

2011, c. 34, s. 146; 2012, c. 28, s. 85; 2015, c. 21, s. 681; 2020, c. 16, s. 207.

**289.5.1.** If a person that is a registrant acquires at any time in its fiscal year (in this section referred to as the “particular fiscal year”) a specified resource for the purpose of making a supply of all or part of the specified resource to a master pension entity for consumption, use or supply by the master pension entity in the course of pension activities in respect of any pension plan that is in the master pension group in respect of the person and the master pension entity at that time, if the person is not at that time a selected qualifying employer of any pension plan in the master pension group and if it is not the case that the specified resource is an excluded resource of the person in respect of any pension plan in the master pension group, the following rules apply:

- (1) the person is deemed to have made a taxable supply of the specified resource or part on the last day of the particular fiscal year;
- (2) tax in respect of the taxable supply referred to in subparagraph 1 is deemed to have become payable on the last day of the particular fiscal year and the person is deemed to have collected that tax on that day;
- (3) the tax referred to in subparagraph 2 is deemed to be equal to the total of all amounts each of which is determined for each pension plan in the master pension group by the formula

$A \times B \times C;$

(4) for each pension plan in the master pension group, the specified pension entity of the pension plan is deemed for the purpose of determining an input tax refund of the specified pension entity and for the purposes of subdivision 6.6 of Division I of Chapter VII and sections 450.0.1 to 450.0.12,

(a) to have received a supply of the specified resource or part on the last day of the particular fiscal year,

(b) except where the specified pension entity is a selected listed financial institution on the last day of the particular fiscal year, to have paid tax in respect of the supply referred to in subparagraph *a*, on that day, equal to the amount determined by the formula

D – E, and

(c) to have acquired the specified resource or part for consumption, use or supply in the course of its commercial activities to the same extent that the specified resource or part was acquired by the person for the purpose of making a supply of the specified resource or part to the master pension entity for consumption, use or supply by the master pension entity in the course of pension activities of the master pension entity that are commercial activities of the master pension entity.

For the purposes of the formulas in the first paragraph,

(1) A is the fair market value of the specified resource or part at the time it was acquired by the person;

(2) B is the provincial factor in respect of the pension plan for the particular fiscal year;

(3) C is the master pension factor in respect of the pension plan for the fiscal year of the master pension entity that includes the last day of the particular fiscal year;

(4) D is the amount of tax determined for the pension plan in accordance with subparagraph 3 of the first paragraph; and

(5) E is the total of all amounts each of which is a part of the amount determined in accordance with subparagraph 4

(a) that is not included in determining the person's net tax for the reporting period that includes the last day of the particular fiscal year, or

(b) that the person has recovered or is entitled to recover by way of rebate, refund or remission, or otherwise, under this or any other Act.

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2020, c. 16, s. 208.

**289.6.** If a person is both a registrant and a participating employer of a pension plan at any time in a fiscal year of the person and is not a selected qualifying employer of the pension plan at that time, if the person consumes or uses at that time an employer resource of the person for the purpose of making a supply of a property or a service (in this section referred to as the “pension supply”) to a pension entity of the pension plan for consumption, use or supply by the pension entity in the course of pension activities in respect of the pension plan, and if the employer resource is not an excluded resource of the person in respect of the pension plan, the following rules apply:

(1) the person is deemed to have made a taxable supply of the employer resource (in this section referred to as the “employer resource supply”) on the last day of the fiscal year;



(2) tax in respect of the employer resource supply is deemed to have become payable on the last day of the fiscal year and the person is deemed to have collected that tax on that day;

(3) the tax referred to in subparagraph 2 is deemed to be equal to the amount determined by the formula

$A \times B$ ; and

(4) for the purpose of determining an input tax refund of the pension entity and for the purposes of subdivision 6.6 of Division I of Chapter VII and sections 450.0.1 to 450.0.12, the pension entity is deemed

(a) to have received a supply of the employer resource on the last day of the fiscal year,

(b) except where the pension entity is a selected listed financial institution on the last day of the fiscal year, to have paid tax in respect of the supply referred to in subparagraph *a*, on that day, equal to the amount determined by the formula

$C - D$ , and

(c) to have acquired the employer resource for consumption, use or supply in the course of its commercial activities to the same extent that the property or service supplied in the pension supply was acquired by the pension entity for consumption, use or supply by the pension entity in pension activities in respect of the pension plan that are commercial activities of the pension entity.

For the purposes of the formulas in the first paragraph,

(1) *A* is

(a) where the employer resource was consumed by the person during the fiscal year for the purpose of making the pension supply, the product obtained by multiplying the fair market value of the employer resource at the time the person began consuming it in the fiscal year by the extent to which that consumption (expressed as a percentage of the total consumption of the employer resource by the person during the fiscal year) occurred when the person was both a registrant and a participating employer of the pension plan, and

(b) in any other case, the product obtained by multiplying the fair market value of the use of the employer resource during the fiscal year as determined on the last day of the fiscal year by the extent to which the employer resource was used during the fiscal year (expressed as a percentage of the total use of the employer resource by the person during the fiscal year) for the purpose of making the pension supply when the person was both a registrant and a participating employer of the pension plan;

(2) *B* is the provincial factor in respect of the pension plan for the fiscal year;

(3) *C* is the amount of tax determined in accordance with subparagraph 3 of the first paragraph; and

(4) *D* is the total of all amounts each of which is a part of the amount determined in accordance with subparagraph 3

(a) that is not included in determining the person's net tax for the reporting period that includes the last day of the fiscal year, or

(b) that the person has recovered or is entitled to recover by way of rebate, refund or remission, or otherwise, under this or any other Act.

2011, c. 34, s. 146; 2012, c. 28, s. 86; 2015, c. 21, s. 682; 2020, c. 16, s. 209.

**289.6.1.** If a person that is a registrant consumes or uses at any time in a fiscal year (in this section referred to as the “particular fiscal year”) of the person an employer resource of the person for the purpose of making a supply of property or a service (in this section referred to as the “pension supply”) to a master pension entity for consumption, use or supply by the master pension entity in the course of pension activities in respect of any pension plan that is in the master pension group in respect of the person and the master pension entity at that time, if the person is not at that time a selected qualifying employer of any pension plan in the master pension group and if it is not the case that the employer resource is an excluded resource of the person in respect of any pension plan in the master pension group, the following rules apply:

(1) the person is deemed to have made a taxable supply of the employer resource (in this section referred to as the “employer resource supply”) on the last day of the particular fiscal year;

(2) tax in respect of the employer resource supply referred to in subparagraph 1 is deemed to have become payable on the last day of the particular fiscal year and the person is deemed to have collected that tax on that day;

(3) the tax referred to in subparagraph 2 is deemed to be equal to the total of all amounts each of which is determined for each pension plan in the master pension group by the formula

$A \times B \times C$ ; and

(4) for each pension plan in the master pension group, the specified pension entity of the pension plan is deemed for the purpose of determining an input tax refund of the specified pension entity and for the purposes of subdivision 6.6 of Division I of Chapter VII and sections 450.0.1 to 450.0.12,

(a) to have received a supply of the employer resource on the last day of the particular fiscal year,

(b) except where the specified pension entity is a selected listed financial institution on the last day of the particular fiscal year, to have paid tax in respect of the supply referred to in subparagraph *a*, on that day, equal to the amount determined by the formula

$D - E$ , and

(c) to have acquired the employer resource for consumption, use or supply in the course of its commercial activities to the same extent that the property or service supplied in the pension supply was acquired by the master pension entity for consumption, use or supply by the master pension entity in the course of pension activities of the master pension entity that are commercial activities of the master pension entity.

For the purposes of the formulas in the first paragraph,

(1) *A* is

(a) in the case where the employer resource was consumed by the person during the particular fiscal year for the purpose of making the pension supply, the product obtained when the fair market value of the

employer resource at the time the person began consuming it in the particular fiscal year is multiplied by the extent to which that consumption (expressed as a percentage of the total consumption of the employer resource by the person during the particular fiscal year) occurred when the person was both a registrant and a participating employer of the pension plan, or

(b) in any other case, the product obtained when the fair market value of the use of the employer resource during the particular fiscal year as determined on the last day of the particular fiscal year is multiplied by the extent to which the employer resource was used during the particular fiscal year (expressed as a percentage of the total use of the employer resource by the person during the particular fiscal year) for the purpose of making the pension supply when the person was both a registrant and a participating employer of the pension plan;

(2) B is the provincial factor in respect of the pension plan for the particular fiscal year;

(3) C is the master pension factor in respect of the pension plan for the fiscal year of the master pension entity that includes the last day of the particular fiscal year;

(4) D is the amount of tax determined for the pension plan in accordance with subparagraph 3 of the first paragraph; and

(5) E is the total of all amounts each of which is a part of the amount determined in accordance with subparagraph 4

(a) that is not included in determining the person's net tax for the reporting period that includes the last day of the particular fiscal year, or

(b) that the person has recovered or is entitled to recover by way of rebate, refund or remission, or otherwise, under this or any other Act.

2020, c. 16, s. 210.

**289.7.** If a person is both a registrant and a participating employer of a pension plan at any time in a fiscal year of the person and is not a qualifying employer of the pension plan at that time, if the person consumes or uses at that time an employer resource of the person in the course of pension activities in respect of the pension plan, if the employer resource is not an excluded resource of the person in respect of the pension plan and if none of sections 289.6, 289.6.1 and 289.7.1 apply in respect of that consumption or use, the following rules apply:

(1) the person is deemed to have made a taxable supply of the employer resource (in this section referred to as the "employer resource supply") on the last day of the fiscal year;

(2) tax in respect of the employer resource supply is deemed to have become payable on the last day of the fiscal year and the person is deemed to have collected that tax on that day;

(3) the tax referred to in subparagraph 2 is deemed to be equal to the amount determined by the formula

$A \times B$ ; and

(4) for the purpose of determining, in accordance with subdivision 6.6 of Division I of Chapter VII, an eligible amount of the specified pension entity of the pension plan in respect of the person for the fiscal year, the specified pension entity is deemed to have paid tax, on the last day of the fiscal year, except where the pension entity is a selected listed financial institution on that day, equal to the amount determined by the formula

C – D.

For the purposes of the formulas in the first paragraph,

(1) A is

(a) where the employer resource was consumed by the person during the fiscal year in the course of pension activities in respect of the pension plan, the product obtained by multiplying the fair market value of the employer resource at the time the person began consuming it in the fiscal year by the extent to which that consumption (expressed as a percentage of the total consumption of the employer resource by the person during the fiscal year) occurred when the person was both a registrant and a participating employer of the pension plan, and

(b) in any other case, the product obtained by multiplying the fair market value of the use of the employer resource during the fiscal year as determined on the last day of the fiscal year by the extent to which the employer resource was used during the fiscal year (expressed as a percentage of the total use of the employer resource by the person during the fiscal year) in the course of pension activities in respect of the pension plan when the person was both a registrant and a participating employer of the pension plan;

(2) B is the provincial factor in respect of the pension plan for the fiscal year;

(3) C is the amount of tax determined in accordance with subparagraph 3 of the first paragraph; and

(4) D is the total of all amounts each of which is a part of the amount determined in accordance with subparagraph 3

(a) that is not included in determining the person's net tax for the reporting period that includes the last day of the fiscal year, or

(b) that the person has recovered or is entitled to recover by way of rebate, refund or remission, or otherwise, under this or any other Act.

2011, c. 34, s. 146; 2012, c. 28, s. 87; 2015, c. 21, s. 683; 2020, c. 16, s. 211.

**289.7.1.** If a person that is a registrant consumes or uses at any time in a fiscal year (in this section referred to as the “particular fiscal year”) of the person an employer resource of the person in the course of pension activities in respect of one or more pension plans that are in the master pension group in respect of the person and a master pension entity at that time, if the person is not at that time a qualifying employer of any pension plan in the master pension group, if it is not the case that the employer resource is an excluded resource of the person in respect of any pension plan in the master pension group, if the pension activities relate exclusively to the establishment, management or administration of the master pension entity of the pension plan or the management or administration of assets held by the master pension entity of the pension plan and if neither of sections 289.6 and 289.6.1 applies to that consumption or use, the following rules apply:

(1) the person is deemed to have made a taxable supply of the employer resource (in this section referred to as the “employer resource supply”) on the last day of the particular fiscal year;

(2) tax in respect of the employer resource supply referred to in subparagraph 1 is deemed to have become payable on the last day of the particular fiscal year and the person is deemed to have collected that tax on that day;

(3) the tax referred to in subparagraph 2 is deemed to be equal to the total of all amounts each of which is determined for each pension plan in the master pension group by the formula

$A \times B \times C$ ; and

(4) for each pension plan in the master pension group, the specified pension entity of the pension plan is deemed—for the purpose of determining, under subdivision 6.6 of Division I of Chapter VII, an eligible amount of the specified pension entity in respect of the person for the particular fiscal year—to have paid tax on the last day of the particular fiscal year, except where the specified pension entity is a selected listed financial institution on that day, equal to the amount determined by the formula

$D - E$ .

For the purposes of the formulas in the first paragraph,

(1) A is

(a) in the case where the employer resource was consumed by the person during the particular fiscal year in the course of its pension activities referred to in the first paragraph, the product obtained when the fair market value of the employer resource at the time the person began consuming it in the particular fiscal year is multiplied by the extent to which that consumption (expressed as a percentage of the total consumption of the employer resource by the person during the particular fiscal year) occurred when the person was both a registrant and a participating employer of any pension plan in the master pension group, or

(b) in any other case, the product obtained when the fair market value of the use of the employer resource during the particular fiscal year as determined on the last day of the particular fiscal year is multiplied by the extent to which the employer resource was used during the particular fiscal year (expressed as a percentage of the total use of the employer resource by the person during the particular fiscal year) in the course of those pension activities when the person was both a registrant and a participating employer of any pension plan in the master pension group;

(2) B is the provincial factor in respect of the pension plan for the particular fiscal year;

(3) C is the master pension factor in respect of the pension plan for the fiscal year of the master pension entity that includes the last day of the particular fiscal year;

(4) D is the amount of tax determined for the pension plan in accordance with subparagraph 3 of the first paragraph; and

(5) E is the total of all amounts each of which is a part of the amount determined in accordance with subparagraph 4

(a) that is not included in determining the person's net tax for the reporting period that includes the last day of the particular fiscal year, or

(b) that the person has recovered or is entitled to recover by way of rebate, refund or remission, or otherwise, under this or any other Act.

2020, c. 16, s. 212.

**289.8.** If any of sections 289.5 to 289.7.1 applies in respect of a person that is a participating employer of a pension plan, the person shall, in the form and manner determined by the Minister, provide the information

determined by the Minister to the pension entity of the pension plan that is deemed to have paid tax under that section.

2011, c. 34, s. 146; 2013, c. 10, s. 220; 2020, c. 16, s. 213.

**289.8.0.1.** If, in making an assessment of the net tax for a reporting period of a person, the Minister determines that the tax in respect of a supply of all or part of a specified resource deemed to have been made by the person under subparagraph 1 of the first paragraph of section 289.5 or 289.5.1 or in respect of a supply of an employer resource deemed to have been made by the person under subparagraph 1 of the first paragraph of any of sections 289.6, 289.6.1, 289.7 and 289.7.1 is greater than the amount of tax that had been accounted for in respect of the supply prior to the Minister's assessment of the net tax for the reporting period and if the person has paid or remitted all amounts owing to the Minister in respect of the net tax for the reporting period, if any, the following rules apply:

(1) the person shall, in the form and manner determined by the Minister, provide the information determined by the Minister in respect of the supply to each pension entity that is deemed to have paid tax in respect of the specified resource or part or in respect of the employer resource, as the case may be, under subparagraph 4 of the first paragraph of whichever of sections 289.5, 289.5.1, 289.6, 289.6.1, 289.7 and 289.7.1 is applicable (in this section referred to as the "applicable subparagraph") before the day that is one year after the later of

(a) the day on which the Minister sends the notice of assessment, and

(b) the first day on which all amounts owing to the Minister in respect of the net tax for the reporting period, if any, have been paid or remitted; and

(2) if the person provides the information determined by the Minister to a particular pension entity in accordance with subparagraph 1 and if the information is received by the particular pension entity on a particular day that is after the end of the last claim period, within the meaning of section 383, of the particular pension entity that ends within two years after the day on which the supply was deemed to have been made for the purposes referred to in the applicable subparagraph,

(a) the particular pension entity is deemed to have paid, on the particular day, tax equal to the amount determined by the formula

$A \times (B/C)$ , and

(b) if the applicable subparagraph is subparagraph 4 of the first paragraph of any of sections 289.5, 289.5.1, 289.6 and 289.6.1, the tax that the particular pension entity is deemed to have paid under subparagraph *a* is deemed to have been paid in respect of the supply of the specified resource or part or in respect of the supply of the employer resource, as the case may be, that the particular pension entity is deemed to have received under the applicable subparagraph.

For the purposes of the formula in subparagraph *a* of subparagraph 2 of the first paragraph,

(1) *A* is the amount of tax in respect of the specified resource or part or in respect of the employer resource, as the case may be, that the particular pension entity is deemed to have paid under the applicable subparagraph;

(2) *B* is the difference between the tax in respect of the supply and the amount of tax that had been accounted for in respect of the supply prior to the Minister's assessment of the net tax for the reporting period; and

(3) C is the tax in respect of the supply.

2024, c. 41, s. 204.

**289.8.1.** A master pension entity of a pension plan shall, in the manner determined by the Minister, provide the master pension factor in respect of the pension plan for a fiscal year of the master pension entity, and any other information that the Minister may specify, to each participating employer of the pension plan on or before the day that is 30 days after the first day of the fiscal year.

2020, c. 16, s. 214.

§ 2.1. — *Pension entity—assessment of employer*

2024, c. 41, s. 205.

**289.8.2.** For the purposes of sections 402.13 to 402.22, 433.15.1 to 433.19.11, 433.19.18 to 433.32 and 450.0.1 to 450.0.12 and sections 433.16R1 to 433.30R1 of the Regulation respecting the Québec sales tax (chapter T-0.1, r. 2), tax in respect of a supply of property or a service that became payable by a pension entity of a pension plan on a particular day is deemed to have become payable by the pension entity on the day on which the pension entity pays that tax and not to have become payable on the particular day if

(1) the supplier did not, before the end of the pension entity's last claim period, within the meaning of section 383, that ends within two years after the end of the pension entity's claim period that includes the particular day, charge that tax;

(2) the supplier discloses in writing to the pension entity that the Minister has sent a notice of assessment to the supplier for that tax;

(3) the pension entity pays that tax after the end of that last claim period; and

(4) that tax is not included in determining

(a) a rebate under section 402.14 that is claimed by the pension entity for that last claim period or for an earlier claim period of the pension entity, or

(b) an amount that a qualifying employer, within the meaning of section 402.13, of the pension plan deducts in determining its net tax for a reporting period as a consequence of a joint election made under any of sections 402.18, 402.19 and 402.19.1 with the pension entity for that last claim period or for an earlier claim period of the pension entity.

2024, c. 41, s. 205.

§ 3. — *Election relating to supplies deemed made for no consideration*

2015, c. 21, s. 684.

**289.9.** A participating employer of a pension plan and a pension entity of the pension plan may jointly elect that every taxable supply made by the participating employer to the pension entity at a time when the election is in effect be deemed to have been made for no consideration.

The first paragraph does not apply to

(1) a supply deemed under subdivision 2 to have been made;

(2) a supply of a property or a service that is not acquired by a pension entity of a pension plan for consumption, use or supply by the pension entity in the course of pension activities in respect of the pension plan;

(3) a supply made by a participating employer of a pension plan to a pension entity of the pension plan of all or part of a property or a service if, at the time the participating employer acquires the property or service, the participating employer is a selected qualifying employer;

(4) a supply made by a participating employer of a pension plan to a pension entity of the pension plan of a property or a service if, at the time the participating employer consumes or uses an employer resource of the participating employer for the purpose of making the supply, the participating employer is a selected qualifying employer of the pension plan; or

(5) a supply made in prescribed circumstances or made by a prescribed person.

2015, c. 21, s. 684; 2020, c. 16, s. 215.

**289.9.1.** A person that is a participating employer of a pension plan and a master pension entity of the pension plan may jointly make an election in respect of taxable supplies made by the person to the master pension entity if the total of all percentages, each of which is a master pension factor in respect of a pension plan of which the person is a participating employer for the fiscal year of the master pension entity that includes the day on which the election becomes effective, is equal to or greater than 90%.

Every taxable supply made by a participating employer to a master pension entity at a time when a joint election made under the first paragraph by the participating employer and the master pension entity is in effect is deemed to have been made for no consideration.

The second paragraph does not apply to

(1) a supply deemed under subdivision 2 to have been made;

(2) a supply of a property or a service that is not acquired by a master pension entity of a pension plan for consumption, use or supply by the master pension entity in the course of pension activities in respect of the pension plan;

(3) a supply made by a participating employer of a pension plan to a master pension entity of the pension plan of all or part of a property or a service if, at the time the participating employer acquires the property or service, the master pension entity is a master pension entity of one or more pension plans of which the participating employer is a selected qualifying employer;

(4) a supply made by a participating employer of a pension plan to a master pension entity of the pension plan of a property or a service if, at the time the participating employer consumes or uses an employer resource of the participating employer for the purpose of making the supply, the master pension entity is a master pension entity of one or more pension plans of which the participating employer is a selected qualifying employer; or

(5) a supply made in prescribed circumstances or made by a prescribed person.

2020, c. 16, s. 216.

**289.9.2.** An election under the first paragraph of section 289.9 or 289.9.1 must

(1) be made in the prescribed form containing prescribed information;

(2) specify the day on which the election is to become effective, which must be the first day of a fiscal year of the participating employer; and

(3) be filed by the participating employer with the Minister in prescribed manner on or before the day on which the election is to become effective or any later day that the Minister may determine.

2020, c. 16, s. 216.



**289.10.** An election under the first paragraph of section 289.9 or 289.9.1 made by a person that is a participating employer of a pension plan and by another person that is a pension entity of the pension plan or a master pension entity of the pension plan ceases to have effect on the earliest of

- (1) the day on which the person ceases to be a participating employer of the pension plan;
- (2) the day on which the other person ceases to be a pension entity of the pension plan or a master pension entity of the pension plan, as the case may be;
- (3) the day on which a revocation of the election becomes effective in accordance with the second paragraph;
- (4) the day specified in a notice of revocation of the election sent to the person in accordance with section 289.12; and
- (5) in the case of an election made under section 289.9.1, the first day of a fiscal year of the other person for which the total of all percentages, each of which is a master pension factor in respect of a pension plan of which the person is a participating employer for the fiscal year, is less than 90%.

The persons that made an election under the first paragraph of section 289.9 or 289.9.1 may jointly revoke the election.

The revocation of the election made under the second paragraph must

- (1) be made in the prescribed form containing prescribed information;
- (2) specify the day on which the revocation is to become effective, which must be the first day of a fiscal year of the person that is the participating employer; and
- (3) be filed by that person with the Minister in prescribed manner on or before the day on which the revocation is to become effective or any later day that the Minister may determine.

2015, c. 21, s. 684; 2020, c. 16, s. 217.

**289.11.** The Minister may send a notice in writing (in this section and section 289.12 referred to as a “notice of intent”) to a participating employer of a pension plan and to a pension entity of the pension plan or a master pension entity of the pension plan that made a joint election under the first paragraph of section 289.9 or 289.9.1, which election is in effect at any time in a particular fiscal year of the participating employer, informing them of the Minister’s intention to revoke the election as of the first day of the particular fiscal year, if the participating employer fails to account for, as and when required under this Title, any tax deemed to have been collected by the participating employer on the last day of the particular fiscal year in accordance with any of sections 289.5 to 289.6.1 in respect of the pension plan.

A participating employer of a pension plan that receives a notice of intent must establish to the Minister’s satisfaction that the participating employer did not fail to account for, as and when required under this Title, any tax deemed to have been collected by the participating employer on the last day of the particular fiscal year in accordance with any of sections 289.5 to 289.6.1 in respect of the pension plan.

2015, c. 21, s. 684; 2020, c. 16, s. 218.

**289.12.** If, after 60 days after the day on which a notice of intent was sent by the Minister to a participating employer of a pension plan, the Minister is not satisfied that the participating employer did not fail to account for, as and when required under this Title, any tax deemed to have been collected by the participating employer on the last day of a particular fiscal year in accordance with any of sections 289.5 to 289.6.1 in respect of the pension plan, the Minister may send a notice in writing to the participating employer and to the pension entity of the pension plan or master pension entity of the pension plan with which the participating employer made the election that the election is revoked as of the day specified in the notice, and

that day is not to be earlier than the day specified in the notice of intent and must be the first day of any fiscal year of the participating employer.

2015, c. 21, s. 684; 2020, c. 16, s. 218.

§ 4. — *Tax deemed to be paid by a designated pension entity*

2020, c. 16, s. 219.

**289.13.** For the purposes of this subdivision, an excluded amount of a master pension entity is an amount of tax that

(1) is deemed to have been paid by the master pension entity under this Title (other than sections 223 to 231.1);

(2) became payable, or was paid without having become payable, by the master pension entity at a time when it was entitled to claim a rebate under sections 383 to 388 and 394 to 397.2; or

(3) is payable under the first paragraph of section 16, or is deemed under sections 223 to 231.1 to have been paid, by the master pension entity in respect of a taxable supply to the master pension entity of a residential complex, an addition to a residential complex or land if, in respect of that supply, the master pension entity is entitled to claim a rebate under subdivision IV.2 of subdivision 3 of Division I of Chapter VII or would be so entitled after paying the tax payable in respect of that supply.

2020, c. 16, s. 219.

**289.14.** For the purposes of this subdivision, the following rules apply:

(1) if a person is a master pension entity of a pension plan having, at any time, only one pension entity, that pension entity is, at that time, the designated pension entity of the pension plan in respect of the person; and

(2) if a person is a master pension entity of a pension plan having, at any time, two or more pension entities and if an election made jointly under section 289.16 by the person and one of those pension entities is in effect at that time, that pension entity is, at that time, the designated pension entity of the pension plan in respect of the person.

2020, c. 16, s. 219.

**289.15.** For the purposes of subdivision 6.6 of Division I of Chapter VII, if a particular amount of tax becomes payable, or is paid without having become payable, by a master pension entity of one or more pension plans at any time in a fiscal year of the master pension entity and if the particular amount of tax is not an excluded amount of the master pension entity, an amount of tax equal to the amount determined by the following formula is deemed, for each of those pension plans, to have been paid at that time by the designated pension entity of the pension plan at that time in respect of the master pension entity:

$A \times B.$

For the purposes of the formula in the first paragraph,

(1) A is

- (a) if the designated pension entity is a selected listed financial institution and the particular amount of tax is payable under the first paragraph of section 16 or any of sections 17, 18 and 18.0.1, zero, and
- (b) in any other case, the amount determined by the formula

C – D; and

(2) B is the master pension factor in respect of the pension plan for the fiscal year of the master pension entity that includes that time.

For the purposes of the formula in the second paragraph,

- (1) C is the particular amount of tax; and
- (2) D is the total of all amounts each of which is included in the particular amount of tax and is
  - (a) an input tax refund that the master pension entity is entitled to claim in respect of the particular amount of tax,
  - (b) an amount for which it can reasonably be regarded that the master pension entity has obtained or is entitled to obtain a rebate, refund, remission or compensation under any other section of this Act or under any other Act, or
  - (c) an amount that can reasonably be regarded as being included in an amount adjusted, refunded or credited to or in favour of the master pension entity for which a credit note referred to in section 449 has been received by the master pension entity or a debit note referred to in that section has been issued by the master pension entity.

2020, c. 16, s. 219.

**289.15.1.** For the purposes of section 289.15, tax in respect of a supply of property or a service that became payable by a master pension entity on a particular day is deemed to have become payable by the master pension entity on the day on which the master pension entity pays that tax and not to have become payable on the particular day if

- (1) the supplier did not, within two years after the particular day, charge that tax;
- (2) the supplier discloses in writing to the master pension entity that the Minister has sent a notice of assessment to the supplier for that tax; and
- (3) the master pension entity pays that tax on a day that is more than two years after the particular day.

2024, c. 41, s. 206.

**289.16.** A master pension entity of a pension plan having two or more pension entities may jointly elect with one of those pension entities, in the prescribed form containing prescribed information, to have that pension entity be, while the election is in effect, the designated pension entity of the pension plan in respect of the master pension entity for the purposes of this subdivision.

2020, c. 16, s. 219.

**289.17.** An election made under section 289.16 by a particular person that is a master pension entity of a pension plan and by another person that is a pension entity of the pension plan becomes effective on the day set out in the document evidencing the election and ceases to have effect on the earliest of

- (1) the day on which the particular person ceases to be a master pension entity of the pension plan;
- (2) the day on which the other person ceases to be a pension entity of the pension plan;
- (3) the day on which an election made under section 289.16 by the particular person and by a third person that is a pension entity of the pension plan becomes effective; and
- (4) the day specified in a notice of revocation of the election made in accordance with section 289.18.

2020, c. 16, s. 219.

**289.18.** A master pension entity and a pension entity that have jointly made an election under section 289.16 may jointly revoke the election, in the prescribed form containing prescribed information, effective on the day specified in the revocation.

2020, c. 16, s. 219.

## DIVISION II

### BENEFIT

**290.** Where a registrant makes a supply, other than an exempt or zero-rated supply, to an individual or a person related to the individual of property or a service, and an amount (in this paragraph referred to as the “benefit amount”) in respect of the supply is required by section 37, 41, 41.1.1, 41.1.2 or 111 of the Taxation Act (chapter I-3) to be included in computing the individual’s income for a taxation year of the individual, or the supply relates to the use or operation of an automobile and an amount (in this paragraph referred to as a “reimbursement”) is paid by the individual or a person related to the individual that reduces the amount in respect of the supply that would otherwise be required under section 41, 41.1.1, 41.1.2 or 111 of the Taxation Act to be so included, the following rules apply:

(1) in the case of a supply of property otherwise than by way of sale, the use made by the registrant in so providing the property to the individual or person related to the individual is deemed to be use in commercial activities of the registrant and, to the extent that the registrant acquired the property or brought the property into Québec for the purpose of making that supply, the registrant is deemed to have so acquired the property or brought the property into Québec for use in commercial activities of the registrant; and

(2) for the purpose of determining the net tax of the registrant,

(a) the total of the benefit amount and all reimbursements is deemed to be the total consideration payable in respect of the provision during the year of the property or service to the individual or person related to the individual,

(b) the tax calculated on the total consideration is deemed to be equal to

i. where the benefit amount is an amount that is or would, if the individual were an employee of the registrant and no reimbursements were paid, be required under section 41.1.1 or 41.1.2 of the Taxation Act to be included in computing the individual’s income, the prescribed percentage of the total consideration,

ii. where the benefit amount is required under section 37 or 41 of the Taxation Act to be included in computing the individual’s income from an office or employment and the last establishment of the employer at which the individual ordinarily worked or to which the individual ordinarily reported in the year in relation to that office or employment is located in Québec, the amount determined by multiplying the total consideration by 9.975/109.975, and

iii. where the benefit amount is required under section 111 of the Taxation Act to be included in computing the individual's income and the individual is resident in Québec at the end of the year, the amount determined by multiplying the total consideration by 9.975/109.975, and

(c) that tax is deemed to have become collectible, and to have been collected, by the registrant

i. except where subparagraph ii applies, on the last day of February of the year following the taxation year, and

ii. where the benefit amount is or would, if no reimbursements were paid, be required under section 111 of the Taxation Act to be included in computing the individual's income and relates to the provision of the property or service in a taxation year of the registrant, on the last day of that taxation year.

Subparagraph 2 of the first paragraph does not apply where the registrant is, by reason of section 203 or 206, not entitled to include, in determining an input tax refund, an amount in respect of the tax payable by the registrant in respect of the last acquisition or bringing into Québec of the property or service.

1991, c. 67, s. 290; 1993, c. 19, s. 210; 1994, c. 22, s. 513; 1995, c. 63, s. 382; 1997, c. 85, s. 580; 2010, c. 5, s. 217; 2011, c. 6, s. 253; 2012, c. 28, s. 88; 2019, c. 14, s. 603.

## **291.** *(Repealed).*

1991, c. 67, s. 291; 1994, c. 22, s. 514.

## **292.** Subparagraph 2 of the first paragraph of section 290 does not apply in respect of property where

(1) the registrant is an individual or a partnership and the property is a passenger vehicle or an aircraft of the registrant that is not used by the registrant exclusively in commercial activities of the registrant;

(2) the registrant is not an individual or a partnership and the property is a passenger vehicle or an aircraft of the registrant that is not used by the registrant primarily in commercial activities of the registrant;

(3) an election made by the registrant under section 293 in respect of the property is in effect at the beginning of the taxation year; or

(4) *(paragraph repealed)*;

(5) *(paragraph repealed)*.

1991, c. 67, s. 292; 1993, c. 19, s. 211; 1994, c. 22, s. 515; 1995, c. 63, s. 383; 1997, c. 85, s. 581; 2004, c. 21, s. 530; 2019, c. 14, s. 549.

**293.** Where in a reporting period of a registrant other than a financial institution, the registrant acquires a passenger vehicle or an aircraft by way of lease for use otherwise than primarily in the course of commercial activities of the registrant or the registrant uses, otherwise than primarily in the course of commercial activities of the registrant, a passenger vehicle or an aircraft that was last acquired by the registrant by way of lease, or where in a reporting period of a registrant that is a financial institution, the registrant acquires such property by way of purchase or lease or the registrant uses such property that was last acquired by the registrant by way of purchase or lease, the registrant may make an election in respect of the vehicle or aircraft to take effect on the first day of that reporting period of the registrant, in which event the following rules apply:

(1) despite subparagraph 1 of the first paragraph of section 290, the registrant is deemed to have begun, on that day, to use the property exclusively in activities of the registrant that are not commercial activities and, as soon as the election becomes effective and until the registrant disposes of or ceases to lease the property, the registrant is deemed to use the property exclusively in activities of the registrant that are not commercial activities;

(2) where the property was last supplied to the registrant by way of lease,

(a) there shall not be included, in determining an input tax refund claimed by the registrant in the return under section 468 for the particular or any subsequent reporting period, tax calculated on consideration, or a part thereof, for that supply that is reasonably attributable to a reporting period after the day the election becomes effective, and

(b) where an amount in respect of any tax referred to in subparagraph *a* was included in determining an input tax refund claimed by the registrant in a return under section 468 for a reporting period ending before the particular reporting period, that amount shall be added in determining the net tax of the registrant for the particular reporting period;

(2.1) where the property was last supplied to the registrant by way of sale, the registrant is a financial institution and the cost of the property to the registrant did not exceed \$50,000,

(a) there shall not be included, in determining an input tax refund claimed by the registrant in a return under section 468 for that or any subsequent reporting period, tax calculated on all or part of the consideration for that supply and tax in respect of improvements to the property that were acquired or brought into Québec by the registrant after the property was last so acquired or brought into Québec, and

(b) where an amount in respect of any tax referred to in subparagraph *a* was included in determining an input tax refund claimed by the registrant in a return under section 468 for a reporting period that ends before that period, that amount shall be added in determining the net tax of the registrant for that period;

(3) there shall not be included, in determining an input tax refund claimed by the registrant in a return under section 468 for that or any subsequent reporting period, tax calculated on an amount of consideration, or a value within the meaning of section 17, that may reasonably be attributed to

(a) any property that is acquired or brought into Québec for consumption or use in operating the vehicle or aircraft in respect of which the election is made and that is, or is to be, consumed or used after that day,

(b) that portion of any service relating to the operation of that vehicle or aircraft that is, or is to be, rendered after that day; and

(4) where an amount in respect of any tax referred to in paragraph 3 was included in determining an input tax refund claimed by the registrant in a return under section 468 for a reporting period ending before that reporting period, that amount shall be added in determining the net tax of the registrant for that reporting period.

Any election under the first paragraph shall be made in prescribed form containing prescribed information.

1991, c. 67, s. 293; 1994, c. 22, s. 516; 1997, c. 85, s. 582; 2012, c. 28, s. 89.

## **DIVISION III**

### **SMALL SUPPLIER**

**294.** A person is a small supplier throughout a particular calendar quarter and the first month immediately following the particular calendar quarter if the total referred to in paragraph 1 does not exceed the sum of the total referred to in paragraph 2 and \$30,000 or, where the person is a public service body, \$50,000:

(1) the total of all amounts each of which is the value of the consideration (other than consideration referred to in section 75.2 that is attributable to goodwill of a business) that became due in the four calendar quarters immediately preceding the particular calendar quarter, or that was paid in those four calendar quarters without having become due, to the person or an associate of the person at the beginning of the particular calendar quarter for taxable supplies made inside or outside Québec by the person or associate, other than

- (a) supplies of financial services;
- (b) supplies by way of sale of capital property of the person or associate; and
- (c) supplies of movable property that are deemed to be made otherwise than in the course of commercial activities for the purposes of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15);

(2) where, in the four calendar quarters immediately preceding the particular calendar quarter, the person or an associate of the person at the beginning of the particular calendar quarter made a taxable supply of a right to participate in a game of chance or is deemed, under section 60, to have made a supply in respect of a bet and the supply is a taxable supply, the total of all amounts each of which is

(a) an amount of money paid or payable by the person or the associate as a prize or winnings in the game or in satisfaction of the bet, or

(b) consideration paid or payable by the person or the associate for property or a service that is given as a prize or winnings in the game or in satisfaction of the bet.

1991, c. 67, s. 294; 1994, c. 22, s. 517; 1995, c. 1, s. 288; 1995, c. 63, s. 384; 1997, c. 85, s. 583; 2012, c. 28, s. 90; 2015, c. 21, s. 685.

**295.** Notwithstanding section 294, where at any time in a calendar quarter the total referred to in paragraph 1 exceeds the sum of the total referred to in paragraph 2 and \$30,000 or, where the person is a public service body, \$50,000:

(1) the total of all amounts each of which is the value of the consideration (other than consideration referred to in section 75.2 that is attributable to goodwill of a business) that became due in the calendar quarter or was paid in that calendar quarter without having become due, to the person or an associate of the person at the beginning of the calendar quarter for taxable supplies made inside or outside Québec by the person or associate, other than

- (a) supplies of financial services;
- (b) supplies by way of sale of capital property of the person or associate; and
- (c) supplies of movable property that are deemed to be made otherwise than in the course of commercial activities for the purposes of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15);

(2) where, in the calendar quarter, the person or an associate of the person at the beginning of the calendar quarter made a taxable supply of a right to participate in a game of chance or is deemed, under section 60, to have made a supply in respect of a bet and the supply is a taxable supply, the total of all amounts each of which is

(a) an amount of money paid or payable by the person or the associate as a prize or winnings in the game or in satisfaction of the bet, or

(b) consideration paid or payable by the person or the associate for property or a service that is given as a prize or winnings in the game or in satisfaction of the bet;

the person is not a small supplier throughout the period beginning immediately before that time and ending on the last day of the calendar quarter.

1991, c. 67, s. 295; 1994, c. 22, s. 518; 1995, c. 1, s. 289; 1995, c. 63, s. 384; 1997, c. 85, s. 584; 2012, c. 28, s. 91; 2015, c. 21, s. 686.

**296.** *(Repealed).*

1991, c. 67, s. 296; 2012, c. 28, s. 92.

**296.1.** Section 294 does not apply to

(1) a person registered under Chapter VIII.1; or

(2) a person not resident in Québec that makes a supply in Québec of admissions in respect of an activity, a seminar, an event or a place of amusement and whose only business carried on in Québec is the making of such supplies.

1995, c. 63, s. 385; 2021, c. 18, s. 185.

**297.** For the purposes of sections 294 and 295, the expression “associate” of a particular person at any time means another person who is associated at that time with the particular person.

1991, c. 67, s. 297.

**297.0.1.** For the purposes of section 297.0.2, “gross revenue” of a person for a fiscal year of the person means the amount by which the amount determined under subparagraph 1 exceeds the amount determined under subparagraph 2:

(1) the amount that is the total of the following amounts that have not already been included in determining the total under this section for a preceding fiscal year of the person and each of which is

(a) a gift that is received or becomes receivable depending on the method (in this section referred to as the “accounting method”) followed by the person in determining the person’s revenue for the fiscal year, by the person during the fiscal year,

(b) a grant, subsidy, forgivable loan or other assistance (other than a refund or rebate of, or credit in respect of duties, fees or taxes imposed by an Act of Québec, of another province, of the Northwest Territories, of the Yukon Territory, of Nunavut or of the Parliament of Canada) in the form of money that is received or becomes receivable, depending on the accounting method, by the person during the fiscal year from a government, municipality or other public authority,

(c) revenue that is or would be, if the person were a taxpayer under the Taxation Act (chapter I-3), included for the purposes of that Act in determining the person’s income for the fiscal year from property, a business, an adventure or concern in the nature of trade or other source and that is not included in subparagraph *b*,

(d) an amount that is or would be, if the person were a taxpayer under the Taxation Act, a capital gain for the fiscal year for the purposes of that Act from the disposition of property of the person, or

(e) other revenue of any kind whatever (other than an amount that is or would be, if the person were a taxpayer under the Taxation Act, included in determining the amount of a capital gain or loss of the person for the purposes of that Act) that is received or becomes receivable, depending on the accounting method, by the person during the fiscal year;

(2) the total of all amounts each of which is, or would be, if the person were a taxpayer under the Taxation Act, a capital loss for the fiscal year for the purposes of that Act from the disposition of property of the person.

1995, c. 1, s. 290; 1995, c. 63, s. 386; 2003, c. 2, s. 329; 2015, c. 21, s. 687.

**297.0.2.** A person that is a charity or a public institution at any time in a particular fiscal year of the person is a small supplier throughout the particular fiscal year if

(1) the particular fiscal year is the first fiscal year of the person;

(2) the particular fiscal year is the second fiscal year of the person and the gross revenue of the person for the first fiscal year does not exceed \$250,000; or



(3) the particular fiscal year is not the first or second fiscal year of the person and the gross revenue of the person for either of the two fiscal years immediately preceding the particular fiscal year of the person does not exceed \$250,000.

1995, c. 1, s. 290; 1997, c. 85, s. 585.

## **DIVISION III.0.0.1**

### **FINANCIAL INSTITUTION**

2012, c. 28, s. 93.

**297.0.2.1.** Where a particular corporation that is a member of a closely related group of which a listed financial institution is a member and another corporation that is a member of the group make a valid joint election under subsection 1 of section 150 of the Excise Tax Act (R.S.C. 1985, c. E-15), the particular corporation and the other corporation shall make the joint election that every supply between them of property by way of lease, licence or similar arrangement or of a service that is made at a time when the election under that subsection 1 is in effect for the purposes of Part IX of that Act that would, but for this section, be a taxable supply is deemed to be a supply of a financial service.

An election required to be made by a particular corporation under the first paragraph must be made in the prescribed form containing prescribed information, specify the day the election is to become effective, and be filed by the particular corporation with the Minister on or before the day on which a return under Chapter VIII for the reporting period of the particular corporation in which the election is to become effective is required to be filed.

Where a particular corporation has, before 1 January 2013, made a valid joint election with another corporation under subsection 1 of section 150 of the Excise Tax Act and that election is valid on that date for the purposes of Part IX of that Act, the particular corporation is deemed to have made the election required under the first paragraph.

2012, c. 28, s. 93.

**297.0.2.2.** The election required under section 297.0.2.1 does not apply in respect of

(1) property held or services rendered by a corporation party to the election as a participant in a joint venture with another person while an election under section 346 made jointly by the corporation and the other person is in effect;

(2) a supply described in section 18; or

(3) a supply of services in relation to the clearing or settlement of cheques and other payment items under the national payments system of the Canadian Payments Association if the recipient (in this subparagraph referred to as the “related purchaser”) is acquiring all or part of those services for the purpose of making a supply of exempt services to

(a) an unrelated party, or

(b) a supplier that is a member of a closely related group of which the related purchaser is a member and that acquires all or part of the exempt services for the purpose of making a supply of exempt services to an unrelated party or to another supplier described by this subparagraph.

For the purposes of the first paragraph,

“exempt services” means any service in relation to the clearing and settlement of cheques and other payment items under the national payments system of the Canadian Payments Association that is supplied by the Association or any of its members;

“unrelated party”, in respect of a supply of services, means a person that is not a member of a closely related group of which the supplier is a member and that is acquiring the services for the purpose of making a supply of services in relation to the clearing or settlement of cheques and other payment items under the national payments system of the Canadian Payments Association.

If a supply is made between a person and a corporation that have jointly made an election under section 297.0.2.1 and the election is in effect on 22 March 2016 and on the day, after that date but before 22 March 2017, on which the agreement for the supply is entered into, the first paragraph is to be read, in respect of the supply, as if the following subparagraph were inserted after subparagraph 2:

(“2.1) a supply made between a person and a corporation if  
(a) the supply is

i. a supply of a service and it is not the case that all or substantially all of the service is performed before 22 March 2017, or

ii. a supply of property by way of lease, licence or similar arrangement and it is not the case that all or substantially all of the property is delivered or made available to the recipient of the supply before 22 March 2017, and

(b) the person and the corporation are not members of the same closely related group either at any time after the day on which the agreement for the supply is entered into but before 22 March 2017 or on that latter date; or”.

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2012, c. 28, s. 93; 2020, c. 16, s. 220.

**297.0.2.3.** The election required under section 297.0.2.1 is valid for the period that begins on 1 January 2013 or, if made later, the day on which the election made under subsection 1 of section 150 of the Excise Tax Act (R.S.C. 1985, c. E-15) becomes effective, and that ends on the earliest of

(1) the day either corporation that made the election ceases to be a member of one and the same closely related group;

(2) the first day the closely related group of which the corporations that made the election are members does not include a listed financial institution (other than a corporation that is a financial institution only by reason of the presumption provided for in section 297.0.2.6); and

(3) the day specified in a notice of revocation filed jointly by the corporations that made the election with the Minister in the prescribed form containing prescribed information.

For the purposes of subparagraph 3 of the first paragraph, the following rules apply:

(1) where a notice of revocation in relation to the election made under subsection 1 of section 150 of the Excise Tax Act is filed by the corporations that made the election required under section 297.0.2.1, in accordance with subsection 4.1 of section 150 of that Act, a notice of revocation stating the date specified in the notice of revocation filed in accordance with that subsection 4.1 must also be filed by the corporations with the Minister; and

(2) a notice of revocation may be filed with the Minister only if the corporations that made the joint election required under section 297.0.2.1 have filed a notice of revocation in accordance with subsection 4.1 of section 150 of the Excise Tax Act.

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2012, c. 28, s. 93; 2022, c. 23, s. 188; 2025, c. 27, s. 167.

**297.0.2.4.** The following rules apply to credit unions:

(1) every credit union is deemed to be at all times a member of a closely related group of which every other credit union is a member;

(2) every credit union is deemed to have made the election required under section 297.0.2.1 with every other credit union, which election is in effect at all times; and

(3) every supply of a corporeal movable property (other than a capital property) made by a credit union to another credit union is deemed to be a supply of a financial service.

2012, c. 28, s. 93.

**297.0.2.5.** The following rules apply to the members of a mutual insurance group:

(1) every member of a mutual insurance group is deemed to be at all times a member of a closely related group of which every other member of the mutual insurance group is a member; and

(2) every member of a mutual insurance group is deemed to have made the election required under section 297.0.2.1 with every other member of the mutual insurance group, which election is in effect at all times.

2012, c. 28, s. 93.

**297.0.2.6.** A corporation that is a member of a closely related group and that makes the election required under section 297.0.2.1 is deemed to be a financial institution throughout the period for which the election is in effect.

2012, c. 28, s. 93.

## **DIVISION III.0.1**

### **NETWORK SELLER**

2011, c. 6, s. 254.

**297.0.3.** For the purposes of this division and of sections 457.0.1 to 457.0.5,

“network commission” means, in respect of a sales representative of a person, an amount that is payable by the person to the sales representative under an agreement between the person and the sales representative

(1) as consideration for a supply of a service, made by the sales representative, of arranging for the sale of a select product or a sales aid of the person; or

(2) solely as a consequence of a supply of a service, made by any sales representative of the person described in paragraph 1 of the definition of “sales representative”, of arranging for the sale of a select product or a sales aid of the person;

“network seller” means a person notified by the Minister of an approval under section 297.0.7;

“sales aid” of a particular person that is a network seller or a sales representative of a network seller means property (other than a select product of any person) that

(1) is a customized business form or a sample, demonstration kit, promotional or instructional item, catalogue or similar movable property acquired, manufactured or produced by the particular person for sale to assist in the distribution, promotion or sale of select products of the network seller; and

(2) is neither sold nor held for sale by the particular person to a sales representative of the network seller that is acquiring the property for use as capital property;

“sales representative” of a particular person means

(1) a person (other than an employee of the particular person or a person acting, in the course of its commercial activities, as mandatary in making supplies of select products of the particular person on behalf of the particular person) that

(a) has a contractual right under an agreement with the particular person to arrange for the sale of select products of the particular person, and

(b) does not arrange for the sale of select products of the particular person primarily at a fixed place of business of the person other than a private residence; or

(2) a person (other than an employee of the particular person or a person acting, in the course of its commercial activities, as mandatary in making supplies of select products of the particular person on behalf of the particular person) that has a contractual right under an agreement with the particular person to be paid an amount by the particular person solely as a consequence of a supply of a service, made by a person described in paragraph 1, of arranging for the sale of a select product or a sales aid of the particular person;

“select product” of a person means corporeal movable property that

(1) is acquired, manufactured or produced by the person for supply by the person for consideration, otherwise than as used corporeal movable property, in the ordinary course of business of the person; and

(2) is ordinarily acquired by consumers by way of sale.

2011, c. 6, s. 254.

**297.0.4.** For the purposes of this division, a person is a qualifying network seller throughout a fiscal year of the person if

(1) all or substantially all of the total of all consideration, included in determining the person’s income from a business for the fiscal year, for supplies made in Québec by way of sale is for

(a) supplies of select products of the person, made by the person, by way of sales that are arranged for by sales representatives of the person (in this section referred to as “select supplies”), or

(b) if the person is a direct seller (as defined in section 297.1), supplies by way of sale of exclusive products (as defined in that section) of the person made by the person to independent sales contractors (as defined in that section) of the person at any time when an approval of the Minister for the purposes of sections 297.2 to 297.7.0.2 to the person is in effect;

(2) all or substantially all of the total of all consideration, included in determining the person’s income from a business for the fiscal year, for select supplies is for select supplies made to consumers;

(3) all or substantially all of the sales representatives of the person to which network commissions become payable by the person during the fiscal year are sales representatives, each having a total of such network commissions of not more than the amount determined by the formula

$\$30,000 \times A/365$ ; and

(4) the person and each of its sales representatives have made joint elections under section 297.0.6.

For the purposes of the formula in subparagraph 3 of the first paragraph, A is the number of days in the fiscal year.

2011, c. 6, s. 254; 2012, c. 28, s. 94.

**297.0.5.** A person may file an application with the Minister in prescribed form containing prescribed information to have section 297.0.9 apply to the person and each of its sales representatives, beginning on the first day of a fiscal year of the person, if the person

(1) is registered under Division I of Chapter VIII and is reasonably expected to be, throughout the fiscal year,

(a) engaged exclusively in commercial activities, and

(b) a qualifying network seller; and

(2) files the application in the manner prescribed by the Minister before,

(a) in the case of a person that has never made a supply of a select product of the person, the day in the fiscal year on which the person first makes a supply of a select product of the person, and

(b) in any other case, the first day of the fiscal year.

2011, c. 6, s. 254.

**297.0.6.** A person to which section 297.0.5 applies or a person that is a network seller and a sales representative of the person may jointly elect, in prescribed form containing prescribed information, to have section 297.0.9 apply to them at all times when an approval granted under section 297.0.7 is in effect.

2011, c. 6, s. 254.

**297.0.7.** The Minister may approve an application filed under section 297.0.5 by a person or refuse the application and shall notify the person in writing of the approval and the day on which it becomes effective or of the refusal.

2011, c. 6, s. 254.

**297.0.8.** A network seller shall maintain evidence satisfactory to the Minister that the network seller and each of its sales representatives have made joint elections under section 297.0.6.

2011, c. 6, s. 254.

**297.0.9.** If an approval granted by the Minister under section 297.0.7 in respect of a network seller and each of its sales representatives is in effect and, at any time, a network commission becomes payable by the network seller to a sales representative of the network seller as consideration for a taxable supply (other than a zero-rated supply) of a service made in Québec by the sales representative, the supply is deemed not to be a supply.

2011, c. 6, s. 254.

**297.0.10.** If an approval granted by the Minister under section 297.0.7 in respect of a network seller and each of its sales representatives is in effect and, at any time, the network seller or a sales representative of the network seller makes in Québec a taxable supply by way of sale of a sales aid of the network seller or of the sales representative, as the case may be, to a sales representative of the network seller, the supply is deemed not to be a supply.

2011, c. 6, s. 254.

**297.0.11.** If an approval granted by the Minister under section 297.0.7 in respect of a network seller and each of its sales representatives is in effect and, at any time, the network seller or a particular sales representative of the network seller makes a supply of property to an individual as consideration for the supply by the individual of a service of acting as a host at an event organized for the purpose of allowing a sales representative of the network seller or the particular sales representative, as the case may be, to promote,

or to arrange for the sale of, select products of the network seller, the individual is deemed not to have made a supply of the service and the service is deemed not to be consideration for a supply.

2011, c. 6, s. 254.

**297.0.12.** A person notified by the Minister of a refusal under section 297.0.7 shall, without delay and in a manner satisfactory to the Minister, notify the sales representative with whom the person made a joint election under section 297.0.6.

2011, c. 6, s. 254.

**297.0.13.** The Minister may, effective on the first day of a fiscal year of a network seller, revoke an approval granted under section 297.0.7 if, before that day, the Minister notifies the network seller of the revocation and the day on which it becomes effective and if

- (1) the network seller fails to comply with a provision of this Title;
- (2) it can reasonably be expected that the network seller will not be a qualifying network seller throughout the fiscal year;
- (3) the network seller requests in writing that the Minister revoke the approval;
- (4) the notice referred to in section 416 has been given to, or the request referred to in subparagraph 1 of the first paragraph of section 417 has been filed by, the network seller; or
- (5) it can reasonably be expected that the network seller will not be engaged exclusively in commercial activities throughout the fiscal year.

2011, c. 6, s. 254.

**297.0.14.** If an approval granted under section 297.0.7 in respect of a network seller and each of its sales representatives is in effect at any time in a particular fiscal year of the network seller and, at any time during the particular fiscal year, the network seller ceases to be engaged exclusively in commercial activities or the Minister cancels the registration of the network seller, the approval is deemed to be revoked, effective on the first day of the fiscal year of the network seller immediately following the particular fiscal year, unless, on that first day, the network seller is registered under Division I of Chapter VIII and it is reasonably expected that the network seller will be engaged exclusively in commercial activities throughout that following fiscal year.

2011, c. 6, s. 254.

**297.0.15.** If an approval granted under section 297.0.7 in respect of a network seller and each of its sales representatives is revoked under section 297.0.13 or 297.0.14, the following rules apply:

- (1) the approval ceases to have effect immediately before the day on which the revocation becomes effective;
- (2) the network seller shall without delay notify each of its sales representatives in a manner satisfactory to the Minister of the revocation and the day on which it becomes effective; and
- (3) a subsequent approval granted under section 297.0.7 in respect of the network seller and each of its sales representatives may not become effective before the first day of a fiscal year of the network seller that is at least two years after the day on which the revocation became effective.

2011, c. 6, s. 254.

**297.0.16.** A taxable supply (other than a zero-rated supply) of a service made in Québec by a sales representative of a network seller is deemed not to be a supply if

(1) the consideration for the taxable supply is a network commission that becomes payable by the network seller to the sales representative at any time after the day on which an approval granted under section 297.0.7 ceases to have effect as a consequence of a revocation on the basis of any of paragraphs 1 to 3 of section 297.0.13;

(2) the approval could not have been revoked on the basis of paragraph 4 or 5 of section 297.0.13 and would not have otherwise been revoked under section 297.0.14;

(3) at the time the network commission becomes payable, the sales representative

(a) has not been notified of the revocation by the network seller, as required under paragraph 2 of section 297.0.15, or by the Minister, and

(b) neither knows, nor ought to know, that the approval ceased to have effect; and

(4) an amount has not been charged or collected as or on account of tax in respect of the taxable supply.

2011, c. 6, s. 254.

**297.0.17.** Section 297.0.18 applies if the following conditions are satisfied:

(1) the consideration for a taxable supply (other than a zero-rated supply) of a service made in Québec by a sales representative of a network seller is a network commission that becomes payable by the network seller to the sales representative at any time after the day on which an approval granted under section 297.0.7 ceases to have effect as a consequence of a revocation under section 297.0.13 or 297.0.14;

(2) the approval was, or could at any time otherwise have been, revoked under paragraph 4 or 5 of section 297.0.13 or was, or would at any time otherwise have been, revoked under section 297.0.14;

(3) at the time the network commission becomes payable, the sales representative

(a) has not been notified of the revocation by the network seller, as required under paragraph 2 of section 297.0.15, or by the Minister, and

(b) neither knows, nor ought to know, that the approval ceased to have effect; and

(4) an amount has not been charged or collected as or on account of tax in respect of the taxable supply.

2011, c. 6, s. 254.

**297.0.18.** If the conditions described in section 297.0.17 are satisfied, the following rules apply:

(1) section 68 does not apply in respect of the taxable supply described in paragraph 1 of section 297.0.17;

(2) tax that becomes payable or that would, in the absence of section 68, become payable in respect of the taxable supply is not included in determining the net tax of the sales representative referred to in paragraph 1 of section 297.0.17; and

(3) the consideration for the taxable supply is not, in determining whether the sales representative is a small supplier, included in the total referred to in paragraph 1 of section 294 or in paragraph 1 of section 295.

2011, c. 6, s. 254.

**297.0.19.** A taxable supply of a sales aid of a particular sales representative of a network seller made in Québec by way of sale to another sales representative of the network seller is deemed not to be a supply if

(1) the consideration for the taxable supply becomes payable at any time after the day on which an approval granted under section 297.0.7 ceases to have effect as a consequence of a revocation under section 297.0.13 or 297.0.14;

(2) at the time the consideration becomes payable, the particular sales representative

(a) has not been notified of the revocation by the network seller, as required under paragraph 2 of section 297.0.15, or by the Minister, and

(b) neither knows, nor ought to know, that the approval ceased to have effect; and

(3) an amount has not been charged or collected as or on account of tax in respect of the taxable supply.

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2011, c. 6, s. 254.

**297.0.20.** If a registrant that is a network seller in respect of which an approval granted under section 297.0.7 is in effect acquires or brings into Québec property (other than a select product of the network seller) or a service for supply to a sales representative of the network seller or an individual related to the sales representative for no consideration or for consideration that is less than the fair market value of the property or service, tax becomes payable in respect of the acquisition or bringing into Québec and the sales representative or individual is not acquiring the property or service for consumption, use or supply exclusively in the course of commercial activities of the sales representative or individual, as the case may be, the following rules apply:

(1) no tax is payable in respect of the supply; and

(2) in determining an input tax refund of the registrant, no amount must be included in respect of tax that becomes payable, or is paid without having become payable, by the registrant in respect of the property or service.

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2011, c. 6, s. 254.

**297.0.21.** If a registrant that is a network seller in respect of which an approval granted under section 297.0.7 is in effect and that, in the course of commercial activities of the registrant, has acquired, manufactured or produced property (other than a select product of the network seller), or has acquired or performed a service, appropriates the property or service, at any time, for the benefit of any of the sales representatives of the network seller or of an individual related to the sales representative (otherwise than by way of a supply made for consideration equal to the fair market value of the property or service), and the sales representative or individual is not acquiring the property or service for consumption, use or supply exclusively in the course of commercial activities of the sales representative or individual, the registrant shall be deemed

(1) to have made a supply of the property or service for consideration paid at that time equal to the fair market value of the property or service at that time; and

(2) to have collected, at that time, tax in respect of the supply, unless the supply is an exempt supply, calculated on that consideration.

This section does not apply to property or a service appropriated by a registrant that was not entitled to claim an input tax refund in respect of the property or service because of section 203 or 206.

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2011, c. 6, s. 254.

**297.0.22.** If an approval granted under section 297.0.7 in respect of a network seller and each of its sales representatives is in effect and, at any time, a sales representative of the network seller ceases to be a registrant, paragraph 1 of section 209 does not apply to sales aids that were supplied to the sales



representative by the network seller or another sales representative of the network seller at any time when the approval was in effect.

2011, c. 6, s. 254.

**297.0.23.** Section 55 does not apply to the supply described in section 297.0.11 made to an individual acting as a host.

2011, c. 6, s. 254.

**297.0.24.** *(Repealed).*

2011, c. 6, s. 254; 2015, c. 21, s. 688.

**297.0.25.** If a network seller that is a registrant is granted an approval under subsection 5 of section 178 of the Excise Tax Act (R.S.C. 1985, c. E-15), the following rules apply:

- (1) the network seller is not required to file an application under section 297.0.5;
- (2) the network seller is deemed to have been granted an approval under section 297.0.7 and the time or day on which the approval becomes effective is the same as the time or day on which the approval granted under subsection 5 of section 178 of that Act becomes effective; and
- (3) the approval deemed to have been granted to the network seller under section 297.0.7 is deemed
  - (a) to have been revoked on the day on which revocation of the approval granted under subsection 5 of section 178 of that Act becomes effective and the revocation is deemed to be in effect on that day, and
  - (b) to have ceased to have effect on the day on which the approval referred to in subparagraph *a* ceased to have effect.

The Minister may require to be informed by the network seller in the manner prescribed by the Minister in prescribed form containing prescribed information, and within the time determined by the Minister, of an approval granted under subsection 5 of section 178 of that Act, of a revocation of that approval or of the fact that an approval has ceased to have effect, or require the network seller to send notice of an approval or of its revocation to the Minister.

2011, c. 6, s. 254.

## DIVISION III.1

### DIRECT SELLERS

1994, c. 22, s. 519.

**297.1.** For the purposes of this division,

“direct seller” means a person who sells exclusive products of the person to independent sales contractors of the person;

“distributor” of a direct seller means a person who is an independent sales contractor of the direct seller and who, in the course of the contractor’s business, sells some or all of the exclusive products of the direct seller acquired by the contractor to other independent sales contractors of the direct seller;

“exclusive product” of a direct seller means movable property that is acquired, manufactured or produced by the direct seller for sale, in the ordinary course of a business of the direct seller, to an independent sales contractor of the direct seller, with the expectation that the property would be ultimately sold, otherwise than as used corporeal movable property, by an independent sales contractor of the direct seller, in the ordinary course of a business of the contractor, for consideration to a person other than an independent sales contractor;

“independent sales contractor” of a direct seller means a person, other than a mandatary or employee of the direct seller or of a distributor of the direct seller, who

(1) has a contractual right to purchase exclusive products of the direct seller from the direct seller or from a distributor of the direct seller;

(2) purchases exclusive products of the direct seller for the purpose of resale to another independent sales contractor of the direct seller or to a purchaser; and

(3) does not solicit, negotiate or enter into contracts for the sale of exclusive products of the direct seller to purchasers primarily at a fixed place of business of the person other than a private residence;

“purchaser” of an exclusive product of a direct seller means a person who is the recipient of a supply of the product and who is not acquiring the product for the purpose of supplying it for consideration;

“sales aid” of a person who is a direct seller or a distributor of a direct seller means

(1) property, other than an exclusive product of the direct seller, that is a customized business form or a sample, demonstration kit, promotional or instructional item, catalogue or other movable property acquired, manufactured or produced by the person for sale to assist in the distribution, promotion or sale of exclusive products of the direct seller, but does not include property that is sold, or held for sale, by the person to an independent sales contractor of the direct seller who is acquiring the property for use as capital property; and

(2) the service of shipping or handling, or processing an order for, either property included in paragraph 1 or an exclusive product of the direct seller;

“suggested retail price” at any time of an exclusive product of a direct seller means the lowest price published by the direct seller applicable to supplies of the product made at that time to purchasers and includes the duties, fees and taxes described in section 52, but does not include tax payable under this Title and duties, fees and taxes prescribed for the purposes of the second paragraph of section 52.

1994, c. 22, s. 519; 1995, c. 63, s. 387; 2001, c. 53, s. 319.

**297.1.1.** A direct seller who is a registrant may file an application in prescribed form containing prescribed information, with and as prescribed by the Minister, to have sections 297.2 to 297.7 apply in respect of the direct seller.

1995, c. 63, s. 388.

**297.1.2.** Where a direct seller and a distributor of the direct seller are registrants, they may file a joint application in prescribed form containing prescribed information, with and as prescribed by the Minister, to have sections 297.7.1 to 297.7.4 apply in respect of the distributor.

1995, c. 63, s. 388.

**297.1.3.** Where the Minister receives an application under section 297.1.1 from a direct seller, the Minister may approve the application in writing, and the Minister shall, in writing, notify the direct seller of the approval and the day on which it becomes effective.

1995, c. 63, s. 388.

**297.1.4.** Where the Minister receives a joint application under section 297.1.2 from a direct seller and a distributor of the direct seller, the Minister may approve the application in writing, and the Minister shall, in writing, notify both the direct seller and the distributor of the approval and the day on which it becomes effective.

1995, c. 63, s. 388.

**297.1.5.** Where, at a time when an approval granted under section 297.1.3 in respect of a direct seller would not, but for this section, be in effect, an approval granted under section 297.1.4 in respect of a distributor of the direct seller becomes effective and no other approval granted under section 297.1.4 in respect of a distributor of the direct seller is in effect at that time, the direct seller is deemed, for the purposes

of this division, to have been granted an approval under section 297.1.3 that becomes effective immediately before that time.

1995, c. 63, s. 388.

**297.1.6.** The Minister may revoke an approval granted under section 297.1.3 in respect of a direct seller where an approval granted under section 297.1.4 in respect of a distributor of the direct seller is not in effect and

- (1) the direct seller fails to comply with any provision of this Title; or
- (2) except in the case of an approval deemed under section 297.1.5 to have been granted, the direct seller requests, in writing, the Minister to revoke the approval.

The Minister shall, in writing, notify the direct seller of the revocation of the approval and the day on which it becomes effective.

1995, c. 63, s. 388.

**297.1.7.** The Minister may revoke an approval granted under section 297.1.4 in respect of a distributor of a direct seller where

- (1) the distributor fails to comply with any provision of this Title; or
- (2) the distributor and the direct seller, in writing, jointly request the Minister to revoke the approval.

The Minister shall, in writing, notify both the distributor and the direct seller of the revocation of the approval and the day on which it becomes effective.

1995, c. 63, s. 388.

**297.1.8.** An approval granted under section 297.1.3 in respect of a direct seller ceases to have effect on the earliest of

- (1) the day the direct seller ceases to be a registrant;
- (2) the day an approval granted under section 297.1.4 in respect of any distributor of the direct seller ceases to have effect and no other approval granted under that section in respect of any distributor of the direct seller is in effect; and
- (3) the day a revocation of the approval under section 297.1.6 becomes effective.

1995, c. 63, s. 388.

**297.1.9.** An approval granted under section 297.1.4 ceases to have effect on the earliest of

- (1) the day the direct seller ceases to be a registrant;
- (2) the day the distributor ceases to be a registrant; and
- (3) the day a revocation of the approval under section 297.1.7 becomes effective.

1995, c. 63, s. 388.

**297.1.10.** Where a direct seller who is a registrant is granted approval under subsection 3 of section 178.2 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), the following rules apply:

- (1) the direct seller is not required to file an application under section 297.1.1;

(2) the direct seller is deemed to have been granted approval under section 297.1.3 and the time or day on which the approval becomes effective is the same as the day on which the approval granted under subsection 3 of section 178.2 of that Act becomes effective; and

(3) the approval deemed to have been granted to the direct seller under section 297.1.3 is deemed

(a) to have been revoked on the day on which revocation of the approval granted under subsection 3 of section 178.2 of that Act becomes effective and the revocation is deemed to be in effect on that day, and

(b) to have ceased to have effect on the day on which the approval referred to in subparagraph *a* ceased to have effect.

The Minister may require to be informed by the direct seller in the manner prescribed by the Minister in prescribed form containing prescribed information, and within the time determined by the Minister, of an approval granted under subsection 3 of section 178.2 of that Act, of a revocation of that approval or of the fact that an approval has ceased to have effect, or require the direct seller to send notice of an approval or of its revocation to the Minister.

1997, c. 14, s. 340.

**297.1.11.** Where a direct seller and a distributor of the direct seller who are registrants have been granted approval under subsection 4 of section 178.2 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), the following rules apply:

(1) the direct seller and the distributor are not required to file a joint application under section 297.1.2;

(2) the direct seller and the distributor are deemed to have been granted an approval under section 297.1.4 which becomes effective on the day on which the approval granted under subsection 4 of section 178.2 of that Act becomes effective; and

(3) the approval deemed to have been granted to the direct seller and the distributor under section 297.1.4 is deemed

(a) to have been revoked on the day on which the approval granted under subsection 4 of section 178.2 of that Act becomes effective and the revocation is deemed to be in effect on that day, and

(b) to have ceased to have effect on the day on which the approval referred to in subparagraph *a* ceased to have effect.

The Minister may require to be informed by the direct seller or the distributor in the manner prescribed by the Minister in prescribed form containing prescribed information, and within the time determined by the Minister, of an approval granted under subsection 4 of section 178.2 of that Act, of a revocation of that approval or of the fact that an approval has ceased to have effect, or require the direct seller or the distributor to send notice of an approval or of its revocation to the Minister.

1997, c. 14, s. 340.

**297.2.** Where, at any time when an approval granted by the Minister under section 297.1.3 in respect of a direct seller is in effect, the direct seller makes in Québec a taxable supply by way of sale, other than a zero-rated supply, of an exclusive product of the direct seller to an independent sales contractor of the direct seller who is not a distributor in respect of whom an approval granted under section 297.1.4 is in effect at that time or becomes effective immediately after that time, the following rules apply:

(1) the supply is deemed to have been made for consideration, that becomes due and is paid at the particular time that is the earlier of the time when any part of the consideration for the supply becomes due and the time when any part of that consideration is paid, equal to the suggested retail price of the exclusive product at the time the supply is made;

(2) tax is deemed not to be payable by the contractor in respect of the supply;

(3) the contractor is not entitled to any rebate under sections 400 to 402.0.2 in respect of the supply; and

(4) in determining the net tax of the direct seller for the reporting period of the direct seller that includes the particular time, there shall be added an amount equal to tax calculated on the suggested retail price of the product at the time the supply is made.

1994, c. 22, s. 519; 1995, c. 63, s. 389.

**297.3.** *(Repealed).*

1994, c. 22, s. 519; 1995, c. 63, s. 390.

**297.4.** *(Repealed).*

1994, c. 22, s. 519; 1995, c. 63, s. 390.

**297.5.** Subject to the second paragraph, where, at any time when an approval granted by the Minister under section 297.1.3 in respect of a direct seller is in effect, a particular independent sales contractor of the direct seller, other than a distributor in respect of whom an approval granted under section 297.1.4 is in effect at that time or becomes effective immediately after that time, makes in Québec a particular taxable supply by way of sale, other than a zero-rated supply, of an exclusive product of the direct seller, the following rules apply:

(1) if the recipient of the particular taxable supply is another independent sales contractor of the direct seller, the particular taxable supply is deemed, except for the purposes of section 297.1 and sections 297.2 to 297.7, not to have been made by the particular contractor and not to have been received by the other contractor; and

(2) if the recipient of the particular taxable supply is a person other than the direct seller or another independent sales contractor of the direct seller,

(a) the particular taxable supply is deemed, except for the purposes of sections 297.1, 297.7 and 297.11, to be a taxable supply made by the direct seller, and not by the particular contractor, for consideration equal to the lesser of the actual consideration for the supply and the suggested retail price of the product at the time the particular taxable supply is made,

(b) any tax in respect of the particular taxable supply that is collected by the particular contractor is deemed to have been collected on behalf of the direct seller, and

(c) tax in respect of the particular taxable supply shall not be included in determining the net tax of the direct seller for any reporting period.

This section applies where section 297.2 applied in respect of a supply of an exclusive product made at an earlier time or where section 297.7.5 applied at an earlier time in respect of the exclusive product.

1994, c. 22, s. 519; 1995, c. 63, s. 391.

**297.6.** Where a direct seller has made a supply of an exclusive product of the direct seller in circumstances in which an amount was required under paragraph 4 of section 297.2 to be added in determining the net tax of the direct seller and an independent sales contractor of the direct seller subsequently supplies the product to the direct seller in a particular reporting period of the direct seller, the following rules apply:

(1) the contractor is deemed not to have supplied the product; and

(2) the direct seller may deduct that amount, in determining the net tax of the direct seller for the particular reporting period or for a subsequent reporting period, in a return under Chapter VIII filed by the direct seller within four years after the day on or before which the return under Chapter VIII for the particular reporting period is required to be filed.

1994, c. 22, s. 519; 1995, c. 63, s. 392; 1997, c. 85, s. 586.

**297.7.** A direct seller may deduct the amount determined under subparagraph 3 in determining the net tax for the particular reporting period of 379 the direct seller in which the amount is paid to, or credited by the direct seller in favour of, an independent sales contractor of the direct seller, or for a subsequent reporting period, in a return under Chapter VIII filed by the direct seller within four years after the day on or before which the return under Chapter VIII is required to be filed for the particular reporting period where

(1) at a particular time the direct seller makes a supply of an exclusive product of the direct seller in circumstances in which an amount was required under paragraph 4 of section 297.2 to be added in determining the net tax of the direct seller;

(2) the independent sales contractor

(a) makes a supply of the product that is

i. a zero-rated supply,

ii. a supply made outside Québec, or

iii. a supply in respect of which the recipient is not required to pay tax under a law of Canada or a province,

(b) makes a supply of the product to a person other than an independent sales contractor of the direct seller for consideration that is less than the suggested retail price of the product at the particular time and more than nominal, and on which was calculated tax that was paid by the person, or

(c) makes a supply of the product to a person other than an independent sales contractor of the direct seller for no consideration or for nominal consideration or appropriates the product for the consumption, use or enjoyment of the particular contractor or that of an individual related thereto; and

(3) the direct seller pays to, or credits in favour of, an independent sales contractor of the direct seller an amount in respect of the product equal to

(a) where subparagraph *a* of subparagraph 2 applies, tax calculated on the suggested retail price of the product at the particular time, and

(b) where subparagraph *b* or *c* of subparagraph 2 applies, the amount determined by the formula

$A - B.$

For the purposes of this formula,

(1) *A* is the tax calculated on the suggested retail price of the product at the particular time; and

(2) *B* is

(a) where subparagraph *b* of subparagraph 2 of the first paragraph applies, tax calculated on the consideration for the supply of the product by the contractor, and

(b) where subparagraph *c* of subparagraph 2 of the first paragraph applies, tax calculated on the consideration for the supply of the product to the contractor, determined without reference to paragraph 1 of section 297.2.

1994, c. 22, s. 519; 1995, c. 63, s. 393; 1997, c. 85, s. 587.

**297.7.0.1.** A direct seller may deduct the amount determined under subparagraph 4 in determining the net tax for the particular reporting period of the direct seller in which the amount is paid, or credited in favour of, an independent sales contractor of the direct seller, or for a subsequent reporting period, in a return under Chapter VIII filed by the direct seller within four years after the day on which the return under that chapter for the particular reporting period is required to be filed if

(1) the direct seller has made a supply of an exclusive product of the direct seller in circumstances in which an amount was required under paragraph 4 of section 297.2 to be added in determining the net tax of the direct seller;

(2) a particular independent sales contractor of the direct seller has or would have, but for subparagraph 2 of the first paragraph of section 297.5, also made a supply of the exclusive product to a person with whom the particular independent sales contractor was dealing at arm's length, other than the direct seller and another independent sales contractor of the direct seller;

(3) the direct seller has obtained evidence satisfactory to the Minister that the consideration and the tax payable in respect of the supply by the particular independent sales contractor have become in whole or in part a bad debt and that the amount of the bad debt has, at a particular time, been written off in the books of account of the particular independent sales contractor; and

(4) the direct seller pays to, or credits in favour of, the particular independent sales contractor an amount in respect of the exclusive product equal to the amount determined by the formula

$$A \times B / C.$$

For the purposes of this formula,

(1) *A* is the tax payable in respect of the supply made by the particular independent sales contractor;

(2) *B* is the total of the consideration and tax in respect of that supply remaining unpaid and written off at a particular time as a bad debt; and

(3) *C* is the total of the consideration and tax payable in respect of that supply.

2001, c. 53, s. 320.

**297.7.0.2.** If all or part of a bad debt in respect of which a direct seller has made a deduction under section 297.7.0.1 is recovered, the direct seller shall, in determining the net tax for the direct seller's reporting period in which the bad debt or that part is recovered, add the amount determined by the formula

$$A \times B / C.$$

For the purposes of this formula,

- (1) A is the amount recovered;
- (2) B is the tax payable in respect of the supply to which the bad debt relates; and
- (3) C is the total of the consideration and tax payable in respect of that supply.

2001, c. 53, s. 320.

**297.7.1.** Where, at any time when an approval granted by the Minister under section 297.1.4 in respect of a distributor of a direct seller is in effect, the distributor makes in Québec a taxable supply by way of sale, other than a zero-rated supply, of an exclusive product of the direct seller to an independent sales contractor of the direct seller who is not a distributor in respect of whom an approval granted under section 297.1.4 is in effect at that time or becomes effective immediately after that time, the following rules apply:

(1) the supply is deemed to have been made for consideration, that becomes due and is paid at the particular time that is the earlier of the time when any part of the consideration for the supply becomes due and the time when any part of that consideration is paid, equal to the suggested retail price of the product at the time the supply is made;

(2) tax is deemed not to be payable by the contractor in respect of the supply;

(3) the contractor is not entitled to any rebate under sections 400 to 402.0.2 in respect of the supply; and

(4) in determining the net tax of the distributor for the reporting period of the distributor that includes the particular time, there shall be added an amount equal to tax calculated on the suggested retail price of the product at the time the supply is made.

1995, c. 63, s. 394.

**297.7.2.** Subject to the second paragraph, where, at any time when an approval granted by the Minister under section 297.1.4 in respect of a distributor of a direct seller is in effect, a particular independent sales contractor of the direct seller, other than a distributor, makes in Québec a particular taxable supply by way of sale, other than a zero-rated supply, of an exclusive product of the direct seller, the following rules apply:

(1) if the recipient of the particular taxable supply is a person who is an independent sales contractor of the direct seller, other than a distributor, the particular taxable supply is deemed, except for the purposes of section 297.1 and sections 297.7.1 to 297.7.4, not to have been made by the particular contractor and not to have been received by the person; and

(2) if the recipient of the particular taxable supply is a person other than a distributor or another independent sales contractor of the direct seller,

(a) the particular taxable supply is deemed, except for the purposes of sections 297.1, 297.7.4 and 297.11, to be a taxable supply made by the distributor, and not by the particular contractor, for consideration equal to the lesser of the actual consideration for the supply and the suggested retail price of the product at the time the particular taxable supply is made,

(b) any tax in respect of the particular taxable supply that is collected by the particular contractor is deemed to have been collected on behalf of the distributor, and

(c) tax in respect of the particular taxable supply shall not be included in determining the net tax of the distributor for any reporting period.



This section applies where section 297.7.1 applied in respect of a supply of an exclusive product made at an earlier time by an independent sales contractor of the direct seller or where section 297.7.6 applied at an earlier time in respect of the exclusive product.

1995, c. 63, s. 394.

**297.7.3.** Where a distributor of a direct seller has made a supply of an exclusive product of the direct seller in circumstances in which an amount was required under paragraph 4 of section 297.7.1 to be added in determining the net tax of the distributor and another independent sales contractor of the direct seller subsequently supplies the product to the distributor in a particular reporting period of the distributor, the following rules apply:

(1) the other contractor is deemed not to have supplied the product; and

(2) the distributor may deduct that amount, in determining the net tax of the distributor for the particular reporting period or for a subsequent reporting period, in a return under Chapter VIII filed by the distributor within four years after the day on or before which the return under Chapter VIII for the particular reporting period is required to be filed.

1995, c. 63, s. 394; 1997, c. 85, s. 588.

**297.7.4.** A distributor of a direct seller may deduct the amount determined under subparagraph 3 in determining the net tax for the particular reporting period of the distributor in which the amount is paid to, or credited by the distributor in favour of, an independent sales contractor of the direct seller, other than a distributor, or for a subsequent reporting period, in a return under Chapter VIII filed by the distributor within four years after the day on or before which the return under Chapter VIII for the particular reporting period is required to be filed where

(1) at a particular time the distributor makes a supply of an exclusive product of the direct seller in circumstances in which an amount is required under paragraph 4 of section 297.7.1 to be added in determining the net tax of the distributor;

(2) the independent sales contractor

(a) makes a supply of the product that is

i. a zero-rated supply,

ii. a supply made outside Québec, or

iii. a supply in respect of which the recipient is not required to pay tax by reason of the law of Canada or a province,

(b) makes a supply of the product to a person other than an independent sales contractor of the direct seller for consideration that is less than the suggested retail price of the product at the particular time and more than nominal, and on which was calculated tax that was paid by the person, or

(c) makes a supply of the product to a person other than an independent sales contractor of the direct seller for no consideration or for nominal consideration or appropriates the product for the consumption, use or enjoyment of the particular contractor or that of an individual related thereto; and

(3) the distributor pays to, or credits in favour of, the particular contractor, an amount in respect of the product equal to

(a) where subparagraph *a* of subparagraph 2 applies, tax calculated on the suggested retail price of the product at the particular time, and

(b) where subparagraph *b* or *c* of subparagraph 2 applies, the amount determined by the formula

$A - B.$

For the purposes of this formula,

(1) A is the tax calculated on the suggested retail price of the product at the particular time; and

(2) B is

(a) where subparagraph *b* of subparagraph 2 of the first paragraph applies, tax calculated on the consideration for the supply of the product by the particular contractor, and

(b) where subparagraph *c* of subparagraph 2 of the first paragraph applies, tax calculated on the consideration for the supply of the product to the particular contractor, determined without reference to paragraph 1 of section 297.7.1.

1995, c. 63, s. 394; 1997, c. 85, s. 589.

**297.7.4.1.** The distributor of a direct seller may deduct the amount determined under subparagraph 4 in determining the net tax for the particular reporting period of the distributor in which the amount is paid, or credited in favour of, an independent sales contractor of the distributor, or for a subsequent reporting period, in a return under Chapter VIII filed by the distributor within four years after the day on which the return under that chapter for the particular reporting period is required to be filed if

(1) the distributor has made a supply of an exclusive product of the direct seller in circumstances in which an amount was required under paragraph 4 of section 297.7.1 to be added in determining the net tax of the distributor;

(2) a particular independent sales contractor of the direct seller, other than the distributor, has or would have, but for subparagraph 2 of the first paragraph of section 297.7.2, also made a supply of the exclusive product to a person with whom the particular independent sales contractor was dealing at arm's length, other than the direct seller, the distributor and another independent sales contractor of the direct seller;

(3) the distributor has obtained evidence satisfactory to the Minister that the consideration and the tax payable in respect of the supply by the particular independent sales contractor have become in whole or in part a bad debt and that the amount of the bad debt has, at a particular time, been written off in the books of account of the particular independent sales contractor; and

(4) the distributor pays to, or credits in favour of, the particular independent sales contractor an amount in respect of the exclusive product equal to the amount determined by the formula

$A \times B / C.$

For the purposes of this formula,

(1) A is the tax payable in respect of the supply made by the particular independent sales contractor;

(2) B is the total of the consideration and tax in respect of that supply remaining unpaid and written off at a particular time as a bad debt; and

- (3) C is the total of the consideration and tax payable in respect of that supply.

2001, c. 53, s. 321.

**297.7.4.2.** If all or part of a bad debt in respect of which the distributor of a direct seller has made a deduction under section 297.7.4.1 is recovered, the distributor shall, in determining the net tax for the distributor's reporting period in which the bad debt or that part is recovered, add the amount determined by the formula

$$A \times B / C.$$

For the purposes of this formula,

- (1) A is the amount recovered;
- (2) B is the tax payable in respect of the supply to which the bad debt relates; and
- (3) C is the total of the consideration and tax payable in respect of that supply.

2001, c. 53, s. 321.

**297.7.5.** Where an approval granted under section 297.1.3 in respect of a direct seller becomes effective at any time after 31 July 1995 and a registrant who is an independent sales contractor of the direct seller, other than a distributor in respect of whom an approval granted under section 297.1.4 is in effect at that time or becomes effective immediately after that time, has at that time in inventory an exclusive product of the direct seller, the registrant is deemed, except for the purposes of sections 294, 295, 297, 462 and 462.1,

(1) to have made, immediately before that time, a supply of the product for consideration, that becomes due and is paid immediately before that time, equal to the suggested retail price of the product at that time; and

(2) to have collected, immediately before that time, tax in respect of the supply calculated on that consideration.

1995, c. 63, s. 394.

**297.7.6.** Subject to the second paragraph, where, at the time an approval granted under section 297.1.4 in respect of a distributor of a direct seller ceases to have effect, the distributor has in inventory an exclusive product of the direct seller, the distributor is deemed, except for the purposes of sections 294, 295, 297, 462 and 462.1,

(1) to have made, immediately before that time, a supply of the product for consideration, that becomes due and is paid immediately before that time, equal to the suggested retail price of the product at that time; and

(2) to have collected, immediately before that time, tax in respect of the supply calculated on that consideration.

This section applies where an approval granted under section 297.1.3 in respect of the direct seller does not cease to have effect at that time.

1995, c. 63, s. 394.

**297.7.7.** Where an approval granted under section 297.1.4 in respect of a distributor of a direct seller ceases to have effect at the same time as an approval granted under section 297.1.3 in respect of the direct seller ceases to have effect, each independent sales contractor of the direct seller, other than a distributor in respect of whom an approval granted under section 297.1.4 ceases to have effect at that time, is deemed

(1) to have received, immediately after that time, a supply of each exclusive product of the direct seller that the contractor has in inventory at that time for consideration, that becomes due and is paid immediately after that time, equal to the suggested retail price of the product at that time; and

(2) to have paid, immediately after that time, tax in respect of the supply calculated on that consideration.

1995, c. 63, s. 394.

**297.7.8.** Where at any time an approval granted under section 297.1.3 in respect of a direct seller ceases to have effect and section 297.7.7 does not apply, each independent sales contractor of the direct seller is deemed

(1) to have received, immediately after that time, a supply of each exclusive product of the direct seller that the contractor has in inventory at that time for consideration, that becomes due and is paid immediately after that time, equal to the suggested retail price of the product at that time; and

(2) to have paid, immediately after that time, tax in respect of the supply calculated on that consideration.

1995, c. 63, s. 394.

**297.8.** *(Repealed).*

1994, c. 22, s. 519; 1995, c. 63, s. 395.

**297.9.** *(Repealed).*

1994, c. 22, s. 519; 1995, c. 63, s. 395.

**297.10.** Where an approval granted by the Minister under section 297.1.3 in respect of a direct seller is in effect and the direct seller or an independent sales contractor of the direct seller makes in Québec a taxable supply by way of sale of a sales aid of the direct seller or of the contractor, as the case may be, to an independent sales contractor of the direct seller, the supply is deemed not to be a supply.

1994, c. 22, s. 519; 1995, c. 63, s. 396.

**297.10.1.** Where an approval granted by the Minister under section 297.1.3 in respect of a direct seller is in effect and an amount is paid or payable by the direct seller or an independent sales contractor of the direct seller to an independent sales contractor of the direct seller because of the volume of purchases or sales of exclusive products of the direct seller or of sales aids and otherwise than as consideration for a supply of such a product or sales aid, the amount is deemed not to be consideration for a supply.

1995, c. 63, s. 397.

**297.11.** Where, at any time when an approval granted by the Minister under section 297.1.3 in respect of a direct seller is in effect, an independent sales contractor of the direct seller, who is not a distributor in respect of whom an approval granted under section 297.1.4 is in effect at that time or becomes effective after that time, makes a supply of property to a person as consideration for the supply by the person of a service of acting as a host at an occasion that is organized for the purpose of the distribution, promotion or sale by the contractor of exclusive products of the direct seller, the person is deemed not to have made a supply of the service and the service is deemed not to be consideration for a supply.

1994, c. 22, s. 519; 1995, c. 63, s. 398.

**297.12.** Where a registrant who is a direct seller in respect of whom an approval granted under section 297.1.3 is in effect or who is a distributor of such a direct seller acquires or brings into Québec property, other than an exclusive product of the direct seller, or a service for supply to an independent sales contractor of the direct seller or an individual related thereto for no consideration or for consideration that is less than the fair market value of the property or service and the contractor or individual is not acquiring the property or service for consumption, use or supply exclusively in the course of commercial activities of the contractor or individual, the following rules apply:

- (1) no tax is payable in respect of the supply; and
- (2) in determining an input tax refund of the registrant, no amount shall be included in respect of tax that becomes payable, or is paid without having become payable, by the registrant in respect of the property or service;
- (3) *(paragraph repealed)*.

1994, c. 22, s. 519; 1995, c. 63, s. 399.

**297.13.** Where a registrant who is a direct seller in respect of whom an approval granted under section 297.1.3 is in effect or who is a distributor of such a direct seller appropriates, at any time, property, other than an exclusive product of the direct seller, that was acquired, manufactured or produced, or any service acquired or performed, in the course of commercial activities of the registrant, to or for the benefit of an independent sales contractor of the direct seller, or any individual related thereto, otherwise than by way of supply for consideration equal to the fair market value of the property or service, and the contractor or individual is not acquiring the property or service for consumption, use or supply exclusively in the course of commercial activities of the contractor or individual, the registrant is deemed

- (1) to have made a supply of the property or service for consideration, paid at that time, equal to the fair market value of the property or service at that time; and
- (2) except where the supply is an exempt supply, to have collected, at that time, tax in respect of the supply calculated on that consideration.

This section does not apply to property or a service appropriated by a registrant where the registrant is not entitled to claim an input tax refund in respect of the property or service because of section 203 or 206.

1994, c. 22, s. 519; 1995, c. 63, s. 400; 2019, c. 14, s. 550.

**297.14.** Where, at any time when an approval granted under section 297.1.3 in respect of a direct seller is in effect, an independent sales contractor of the direct seller ceases to be a registrant, paragraph 1 of section 209 does not apply to sales aids supplied to the contractor by the direct seller or another independent sales contractor of the direct seller at any time when the approval was in effect.

1994, c. 22, s. 519; 1995, c. 63, s. 400.

**297.15.** Section 55 does not apply to a supply described in subparagraph *b* or *c* of subparagraph 2 of the first paragraph of section 297.7, in subparagraph *b* or *c* of subparagraph 2 of the first paragraph of section 297.7.4 or in section 297.11.

1994, c. 22, s. 519; 1995, c. 63, s. 400.

## DIVISION IV

### INSURER

**298.** Where at any time after 1 July 1992 property is transferred to an insurer by a person in the course of settling an insurance claim,

(1) the person is deemed to have made, and the insurer is deemed to have received, at that time, a supply by way of sale of the property;

(2) the supply is deemed to have been made for no consideration, except for the purposes of sections 233, 234, 379 and 380;

(3) in the case of a taxable supply of an immovable, for the purposes of sections 233, 234, 379 and 380, the tax payable in respect of the supply is deemed to be equal to tax calculated on the fair market value of the property at that time; and

(4) in the case of a supply of an immovable referred to in section 102, in section 138.1 or in section 168, for the purposes of sections 233, 234, and 380, the supply is deemed to be a taxable supply and the tax payable in respect of the supply is deemed to be equal to tax calculated on the fair market value of the property at that time.

1991, c. 67, s. 298; 1994, c. 22, s. 520; 1997, c. 85, s. 590.

**299.** Where at any time an insurer makes a supply, other than an exempt supply, of property transferred to the insurer in circumstances in which section 298 applies, except where any of sections 300 to 300.2 applied at an earlier time in respect of the use of the property by the insurer,

(1) the insurer is deemed to have made the supply in the course of a commercial activity of the insurer; and

(2) anything done by the insurer in the course of, or in connection with, the making of the supply and not in connection with the transfer of the property is deemed to have been done in the course of the commercial activity.

1991, c. 67, s. 299; 1994, c. 22, s. 520.

**300.** Where at any time an insurer to whom an immovable has been transferred, in circumstances in which section 298 applies, begins to use the immovable otherwise than in the making of a supply of the immovable, the insurer is deemed to have made a supply of the property at that time and, except where the supply is an exempt supply,

(1) the insurer is deemed to have collected, at that time, tax in respect of the supply equal to the amount determined by multiplying the fair market value of the property at that time by 9.975/109.975; and

(2) the insurer is deemed to have acquired the property and to have paid that tax at that time.

1991, c. 67, s. 300; 1994, c. 22, s. 520; 1995, c. 63, s. 401; 1997, c. 85, s. 591; 2010, c. 5, s. 218; 2011, c. 6, s. 255; 2012, c. 28, s. 95.

**300.1.** Where an insurer to whom movable property has been transferred from a person before 1 January 1994, in circumstances in which section 298 applies, begins at a particular time to use the property otherwise than in the making of a supply of the property, the following rules apply:

(1) the insurer is deemed to have received, immediately after the particular time, a supply by way of sale of the property; and

(2) where tax would have been payable had the property been purchased in Québec from the person for consideration at the time it was transferred, the insurer is deemed

(a) to have made, at the particular time, a taxable supply of the property and to have collected, at the particular time, tax in respect of that supply equal to the amount determined by multiplying the fair market value of the property at the time it was transferred by 9.975/109.975, and

(b) to have paid, immediately after the particular time, tax in respect of the supply referred to in paragraph 1 equal to the amount determined under subparagraph a.

1994, c. 22, s. 521; 1995, c. 63, s. 402; 1997, c. 85, s. 592; 2010, c. 5, s. 219; 2011, c. 6, s. 256; 2012, c. 28, s. 96.

**300.2.** Where an insurer to whom movable property has been transferred from a person after 31 December 1993, in circumstances in which section 298 applies, begins at a particular time to use the property otherwise than in the making of a supply of the property, the following rules apply:

(1) the insurer is deemed

(a) to have received, immediately after the particular time, a supply by way of sale of the property, and

(b) to have paid, immediately after the particular time, all tax payable in respect of that supply, which is deemed to be equal to the amount determined by multiplying the fair market value of the property at the time it was transferred by 9.975/109.975, except where

i. the supply is a zero-rated supply, or

ii. in the case of property that was, at the time it was transferred, specified corporeal movable property having a fair market value in excess of the prescribed amount in respect of the property, tax would not have been payable had the property been purchased in Québec from the person at that time; and

(2) where tax would have been payable had the property been purchased in Québec from the person at the time it was transferred, the insurer is deemed

(a) to have made, at the particular time, a taxable supply of the property, and

(b) to have collected, at the particular time, all tax payable in respect of that supply, which is deemed to be equal to the amount determined by multiplying the fair market value of the property at the time it was transferred by 9.975/109.975.

1994, c. 22, s. 521; 1995, c. 63, s. 403; 1997, c. 85, s. 593; 2001, c. 53, s. 322; 2010, c. 5, s. 220; 2011, c. 6, s. 257; 2012, c. 28, s. 97.

**301.** The rules set out in the second paragraph apply where

(1) an insurer to whom movable property has been transferred from a person in circumstances in which section 298 applies makes at any time a taxable supply of the property by way of sale, other than a supply deemed, under this Title, to have been made;

(2) the insurer was not deemed under section 300.1, 300.2 or 301.2 to have received a supply of the property at an earlier time;

(2.1) the property is not a road vehicle within the meaning of the Highway Safety Code (chapter C-24.2) other than a road vehicle exempt from registration under section 14 of the Highway Safety Code; and

(3) no tax would have been payable by the insurer had the insurer purchased the property in Québec from the person at the time the property was transferred;

(4) *(subparagraph repealed)*.

The insurer is deemed to have received a supply by way of sale of the property immediately before that time for consideration equal to the consideration for the supply referred to in subparagraph 1 of the first paragraph and, except if the supply is a zero-rated supply, to have paid, immediately before that time, all tax payable in respect of the supply deemed under this paragraph to have been received, which is deemed to be equal to the amount determined by the formula

A – B.

For the purposes of this formula,

(1) A is tax calculated on that consideration; and

(2) B is the total of all amounts each of which is an input tax refund or a rebate under Division I of Chapter VII that the insurer was entitled to claim in respect of the property or an improvement thereto.

1991, c. 67, s. 301; 1994, c. 22, s. 522; 1995, c. 63, s. 404; 1997, c. 85, s. 594; 2001, c. 51, s. 275; 2001, c. 53, s. 323.

**301.1.** Section 301 does not apply where

(1) the supply referred to in subparagraph 1 of the first paragraph of the said section is made outside Québec or is a zero-rated supply; and

(2) the property was transferred to the insurer before 1 January 1994 or was, at the time it was transferred, specified corporeal movable property having a fair market value in excess of the prescribed amount in respect of the property.

1994, c. 22, s. 523; 1997, c. 85, s. 595.

**301.2.** The rules set out in the second paragraph apply if

(1) at a particular time an insurer to whom movable property has been transferred from a person in circumstances in which section 298 applies makes a taxable supply of the property by way of lease, licence or similar arrangement for the first lease interval, within the meaning of section 32.2, in respect of the arrangement;

(2) the insurer was not deemed under section 300.1 or 300.2 to have received a supply of the property at an earlier time;

(2.1) the property is not a road vehicle within the meaning of the Highway Safety Code (chapter C-24.2) other than a road vehicle exempt from registration under section 14 of the Highway Safety Code; and

(3) no tax would have been payable had the property been purchased in Québec from the person at the time the property was transferred;

(4) *(subparagraph repealed)*.

The insurer is deemed to have received a supply by way of sale of the property immediately before the particular time and, except if the supply is a zero-rated supply, to have paid, immediately before the particular time, all tax payable in respect of the supply, which is deemed to be equal to tax calculated on the fair market value of the property at the time it was transferred.

1994, c. 22, s. 523; 1995, c. 63, s. 405; 1997, c. 85, s. 596; 2001, c. 51, s. 276; 2001, c. 53, s. 324.

**301.3.** Section 301.2 does not apply where

(1) the supply referred to in subparagraph 1 of the first paragraph of the said section is made outside Québec or is a zero-rated supply; and



(2) the property was transferred to the insurer before 1 January 1994 or was, at the time it was transferred, specified corporeal movable property having a fair market value in excess of the prescribed amount in respect of the property.

1994, c. 22, s. 523; 1997, c. 85, s. 597.

## **DIVISION IV.1**

### **PERFORMANCE BONDS**

2001, c. 53, s. 325.

**301.4.** Sections 301.5 to 301.9 apply if a person (in this division referred to as the “surety”) acting as a surety under a performance bond in respect of a contract for a particular taxable supply of construction services relating to an immovable situated in Québec carries on construction (in this division referred to as “particular construction”) that is undertaken in full or partial satisfaction of the surety’s obligations under the bond and is entitled to receive at any time from the creditor, by reason of carrying on the particular construction, an amount (in this division referred to as a “contract payment”).

For the purposes of the first paragraph,

(1) a reference to a particular person carrying on construction includes a reference to the particular person engaging another person, by way of acquiring services from the other person, to carry on construction for the particular person; and

(2) a contract payment does not include an amount the tax in respect of which was or will be required to be included in determining the net tax of the debtor under the performance bond and is not an amount paid or payable as or on account of tax under this Title, tax under Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15), or a duty, fee or tax payable by the creditor that is prescribed for the purposes of section 52.

2001, c. 53, s. 325; 2012, c. 28, s. 98.

**301.5.** Except for the purposes of section 301.6, in carrying on the particular construction, the surety is deemed to be making a taxable supply in Québec to which section 68 and Divisions III.0.0.1 and X do not apply and for which the contract payment is deemed to be consideration.

2012, c. 28, s. 99; 2013, c. 10, s. 221.

**301.6.** For the purpose of determining the extent to which a property or a service is acquired or brought into Québec by a surety for consumption, use or supply in the course of commercial activities of the surety and for the purpose of determining the extent to which the property or service is consumed, used or supplied by the surety in the course of commercial activities of the surety, the carrying on of the particular construction by the surety is deemed not to be for the purpose of making a taxable supply and not to be a commercial activity of the surety.

2012, c. 28, s. 99.

**301.7.** Despite section 301.6, if section 301.5 deems a surety to be making a taxable supply, any property or service (in this division referred to as a “direct input”) that the surety acquires or brings into Québec for consumption, use or supply exclusively and directly in the course of carrying on the particular construction and not for use as capital property of the surety or in improving such a capital property is deemed, except for the purposes of sections 17, 18 to 18.0.3 and 55 and of Division X, to have been acquired or brought into Québec by the surety for consumption, use or supply exclusively in the course of commercial activities of the surety.

2012, c. 28, s. 99.

**301.8.** The input tax refund of a surety in respect of direct inputs is the lesser of

(1) the amount determined in accordance with Chapter V, but for this section, in respect of those inputs; and

(2) either of the following amounts:

(a) where the amount obtained by the following formula exceeds the total of all amounts, each of which would be an input tax refund of the surety in respect of a direct input but for the fact that tax is not payable by the surety in respect of the acquisition or bringing into Québec of the direct input because of section 75 or Division III.0.0.1 or because of the fact that the surety is deemed to have acquired it, or brought it into Québec, for consumption, use or supply exclusively in the course of commercial activities of the surety, that excess amount:

$A \times B$ , and

(b) in any other case, zero.

For the purposes of the formula in subparagraph *a* of subparagraph 2 of the first paragraph,

(1) *A* is the tax rate specified in the first paragraph of section 16; and

(2) *B* is the total of all contract payments (other than contract payments that are not in respect of the carrying on of the particular construction).

2012, c. 28, s. 99; 2013, c. 10, s. 223.

**301.9.** If a person acquires or brings into Québec a property or a service for consumption, use or supply exclusively and directly in the course of construction work that includes the carrying on of a particular construction that is undertaken in full or partial satisfaction of the person's obligations as a surety under a performance bond and in the course of carrying on other construction activities, the following rules apply for the purposes of this division, of determining the input tax refund of the person and of determining the total amount of all input tax refunds in respect of direct inputs that the person is entitled to claim:

(1) despite section 34, that part (in this section referred to as the "particular construction input") of the property or service that is for consumption, use or supply in the course of carrying on the particular construction and the remaining part (in this section referred to as the "additional construction input") of the property or service are each deemed to be a separate property or service that does not form part of the other;

(2) the particular construction input is deemed to have been acquired or brought into Québec, as the case may be, exclusively and directly for use in the course of carrying on the particular construction;

(3) the additional construction input is deemed not to have been acquired or brought into Québec, as the case may be, for consumption, use or supply in the course of carrying on the particular construction;

(4) the tax payable in respect of the supply or bringing into Québec, as the case may be, of the particular construction input is deemed to be equal to the amount determined by the formula

$A \times B$ ; and

(5) the tax payable in respect of the additional construction input is deemed to be equal to the amount by which the amount determined under subparagraph 1 of the second paragraph exceeds the amount determined under subparagraph 4.

For the purposes of the formula in subparagraph 4 of the first paragraph:

(1) A is the tax payable by the person in respect of the supply or bringing into Québec, as the case may be, of the property or service, determined without reference to this section; and

(2) B is the extent (expressed as a percentage) to which the property or service was acquired or brought into Québec, as the case may be, for consumption, use or supply in the course of carrying on the particular construction.

2012, c. 28, s. 99; 2013, c. 10, s. 224.

## **DIVISION IV.2**

### **FINANCIAL SERVICE DEEMED TO BE SUPPLIED IN THE COURSE OF COMMERCIAL ACTIVITIES**

2012, c. 28, s. 100.

**301.10.** If tax in respect of a property or a service acquired or brought into Québec by a registrant becomes payable by the registrant at a time when the registrant is neither a listed financial institution nor a person who is a financial institution referred to in subparagraph *a* of paragraph 2 of the definition of “financial institution” in section 1, for the purposes of subdivision 5 of Division II of Chapter V and for the purpose of determining the applicable input tax refund, the following rules apply to the extent (determined in accordance with sections 42.0.2, 42.0.3 and 42.0.12) that the property or service was acquired or brought into Québec, as the case may be, for consumption, use or supply in the course of making a supply of financial services that relate to commercial activities of the registrant:

(1) if the registrant is a financial institution referred to in subparagraph *b* of paragraph 2 of the definition of “financial institution” in section 1, the property or service is deemed, despite sections 42.0.2, 42.0.3 and 42.0.12, to have been so acquired or brought into Québec for consumption, use or supply in the course of those commercial activities except to the extent that the property or service was so acquired or brought into Québec for consumption, use or supply in the course of activities of the registrant that relate to

(a) credit cards or charge cards issued by the registrant, or

(b) the making of any advance, the lending of money or the granting of any credit; and

(2) in any other case, the property or service is deemed, despite sections 42.0.2, 42.0.3 and 42.0.12, to have been so acquired or brought into Québec for consumption, use or supply in the course of those commercial activities.

For the purposes of the first paragraph, a financial service is deemed to be related to commercial activities of an individual only to the extent that the revenues and expenses relating to those activities are taken into account in determining the individual’s income for the purposes of the Taxation Act (chapter I-3).

2012, c. 28, s. 100.

**301.10.1.** For the purposes of this section and sections 301.11 to 301.13, a particular corporation is at a particular time an operating corporation of another person that is a corporation, a partnership or a trust if at the particular time all or substantially all of the property of the particular corporation is property that was last manufactured, produced, acquired or imported into Canada by the particular corporation for consumption, use or supply by the particular corporation exclusively in the course of its commercial activities and if

(1) where the other person is a corporation or a trust, the particular corporation is at the particular time related to the other person; or

(2) where the other person is a partnership, the particular corporation is, at the particular time, controlled by

(a) the other person,

(b) a corporation that is controlled by the other person,

(c) a corporation that is related to a corporation referred to in subparagraph *b*, or

(d) a combination of persons referred to in subparagraphs *a* to *c*.

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2023, c. 2, s. 85.

**301.11.** Subject to section 301.12, where a registrant (in this section referred to as the “parent”) that is a corporation, partnership or trust resident in Canada acquires or brings into Québec a particular property or service at a particular time and where at the particular time a particular corporation is an operating corporation of the parent, the parent is deemed, for the purpose of determining the input tax refund of the parent, to have acquired or brought into Québec the particular property or service for use in the course of commercial activities of the parent to the extent that

(1) the parent acquired or brought into Québec the particular property or service for the purpose of

(a) selling or otherwise disposing of, purchasing or otherwise obtaining, or holding units or indebtedness of the particular corporation by the parent, or

(b) redeeming, issuing or converting or otherwise modifying units or indebtedness of the particular corporation by the particular corporation;

(2) the parent acquired or brought into Québec the particular property or service in order to issue or sell units or indebtedness of the parent, the parent transfers to the particular corporation the proceeds from the issuance or sale by lending money to the particular corporation or by purchasing or otherwise obtaining from the particular corporation units or indebtedness of the particular corporation, and the proceeds that are transferred to the particular corporation are for use in the course of its commercial activities; or

(3) if at the particular time all or substantially all of the property of the parent is property that was last manufactured, produced, acquired or imported into Canada by the parent for consumption, use or supply exclusively in the course of its commercial activities, property that is units or indebtedness of operating corporations of the parent or a combination of such property, the parent acquired or brought into Québec the particular property or service for the purpose of carrying on, engaging in or conducting its activities other than

(a) an activity that is primarily in respect of units or indebtedness of a person that is neither the parent nor an operating corporation of the parent, or

(b) an activity that is carried on, engaged in or conducted in the course of making an exempt supply by the parent unless the activity is a financial service that is

i. the lending or borrowing of units or indebtedness of an operating corporation of the parent,

ii. the issue, granting, allotment, acceptance, endorsement, renewal, processing, variation, transfer of ownership or repayment of units or indebtedness of the parent or an operating corporation of the parent,

iii. the provision, variation, release or receipt of a guarantee, acceptance or indemnity in respect of units or indebtedness of the parent or an operating corporation of the parent,

iv. the payment or receipt of money as dividends (other than patronage dividends), interest, principal, benefits, or similar payment or receipt of money in respect of units or indebtedness of the parent or an operating corporation of the parent, or

v. the underwriting of units or indebtedness of an operating corporation of the parent.

2012, c. 28, s. 100; 2023, c. 2, s. 86.

**301.12.** The property or service that a registrant that is a corporation resident in Canada (in this section referred to as the “purchaser”) acquires or brings into Québec is deemed to have been acquired or brought into Québec, as the case may be, for use exclusively in the course of commercial activities of the purchaser if

(1) the property or service is related to the acquisition or proposed acquisition by the purchaser of all or substantially all of the issued and outstanding shares, having full voting rights under all circumstances, of the capital stock of another corporation; and

(2) throughout the period beginning when the performance of the service began or when the purchaser acquired or brought into Québec the property and ending on the later of the days described in subparagraph 1 of the second paragraph, all or substantially all of the property of the other corporation was property that was last manufactured, produced, acquired or imported into Canada for consumption, use or supply exclusively in the course of commercial activities.

For the purpose of determining an input tax refund, any tax in respect of the supply of the property or service to the purchaser, or the bringing into Québec of the property by the purchaser, is deemed to have become payable and been paid by the purchaser on the later of

(1) the later of the day the purchaser acquired all or substantially all of the shares and the day the intention to acquire the shares was abandoned; and

(2) the day the tax became payable or was paid by the purchaser.

2012, c. 28, s. 100; 2023, c. 2, s. 87.

**301.13.** For the purposes of sections 301.11 and 301.12, where at a particular time a particular corporation is an operating corporation of another corporation, all units of the particular corporation owned by, and all indebtedness of the particular corporation owed to, the other corporation are deemed to be, at the particular time, property that was acquired by the other corporation for use exclusively in the course of its commercial activities.

2012, c. 28, s. 100; 2023, c. 2, s. 88.

## **DIVISION V**

### **BANKRUPTCY**

**302.** Sections 302.1 to 309 apply where on a particular day a person becomes a bankrupt.

In this section and in sections 303 to 309, “bankrupt” and “estate of the bankrupt” have the same meanings as in the Bankruptcy and Insolvency Act (Revised Statutes of Canada, 1985, chapter B-3).

1991, c. 67, s. 302; 1994, c. 22, s. 524; 1997, c. 85, s. 598.

**302.1.** A trustee in bankruptcy is deemed to supply a service to the bankrupt of acting as trustee in bankruptcy and any amount to which the trustee is entitled for acting in that capacity is deemed to be consideration payable for that supply.

1997, c. 85, s. 599.

**303.** The estate of the bankrupt is deemed not to be a trust or a succession.

1991, c. 67, s. 303.

**304.** The property and the money of the person immediately before the particular day are deemed not to pass to and be vested in the trustee in bankruptcy on the bankruptcy order being made or the assignment in bankruptcy being filed, but to remain vested in the bankrupt.

1991, c. 67, s. 304; 1994, c. 22, s. 525; 2005, c. 38, s. 371.

**304.1.** Where on the particular day the person is registered under Division I of Chapter VIII, the registration continues in relation to the activities of the person to which the bankruptcy relates as though the trustee in bankruptcy were the registrant in respect of those activities and ceases to apply to the activities of the person in which the person begins to engage on or after the particular day and to which the bankruptcy does not relate.

1994, c. 22, s. 526.

**304.2.** Where on or after the particular day the person begins to engage in particular activities to which the bankruptcy does not relate,

(1) the particular activities are deemed to be separate from the activities of the person to which the bankruptcy relates as though the particular activities were activities of a separate person; and

(2) the person may apply for, and be granted, registration under Division I of Chapter VIII, and establish fiscal periods and make elections respecting reporting periods under Division IV of that chapter, in relation to the particular activities as though they were the only activities of the person.

1994, c. 22, s. 526.

**305.** Subject to sections 306 and 307, the reporting periods of the person begin and end on the days on which they would have begun and ended if the bankruptcy had not occurred.

1991, c. 67, s. 305; 1994, c. 22, s. 527.

**306.** The reporting period of the person during which the person becomes a bankrupt shall end on the particular day and a new reporting period of the person in relation to the activities of the person to which the bankruptcy relates shall begin on the day immediately after the particular day.

1991, c. 67, s. 306; 1994, c. 22, s. 527.

**307.** The reporting period of the person, in relation to the activities of the person to which the bankruptcy relates, during which the trustee in bankruptcy is discharged under the Bankruptcy and Insolvency Act (Revised Statutes of Canada, 1985, chapter B-3) shall end on the day the order of discharge is granted.

1991, c. 67, s. 307; 1994, c. 22, s. 527.

**308.** *(Repealed).*

1991, c. 67, s. 308; 1994, c. 22, s. 528.

**309.** The property and the money held by the trustee in bankruptcy for the person on the day on which an absolute order of discharge of the person is granted under the Bankruptcy and Insolvency Act (Revised Statutes of Canada, 1985, chapter B-3) are deemed not to pass to the person on the order being granted but to have been vested in and held by the person continuously since the day they were acquired by the person or the trustee, as the case may be.

1991, c. 67, s. 309; 1994, c. 22, s. 529.

## **DIVISION VI**

### **RECEIVERSHIP**

**310.** This division applies where on a particular day a receiver is vested with authority to manage, operate or liquidate any business or property, or to manage or care for the affairs or the assets, of a person.

In this division,

“business” includes a part of a business;

“receiver” means a person who

(1) under the authority of a bond or other debt security, of a court order or of an Act of the Legislature of Québec, another province, the Northwest Territories, the Yukon Territory, Nunavut, or of the Parliament of Canada, is empowered to manage or operate a business or property of another person,

(1.1) is appointed by a trustee under a trust deed in respect of a debt security to exercise the authority of the trustee to manage or operate a business or property of the debtor under the debt security,

(1.2) is appointed by a bank to act as mandatary of the bank in the exercise of the authority of the bank under subsection 3 of section 426 of the Bank Act (Revised Statutes of Canada, 1985, chapter B-1) in respect of property of another person,

(2) is appointed as a liquidator to liquidate the assets of a corporation or to wind up the affairs of a corporation, or

(3) is appointed as a committee, tutor, mandatary of an incapable person of full age or temporary representative of an incapable person of full age with authority to manage and care for the affairs and assets of an individual who is incapable of managing his affairs and assets,

and includes a person who is appointed to exercise the authority of a creditor under a bond or other debt security to manage or operate a business or property of another person but, where a person is appointed to exercise the authority of a creditor under a bond or other debt security to manage or operate a business or property of another person, does not include that creditor;

“relevant assets” of a receiver means

(1) where the receiver’s authority relates to all the businesses, affairs, properties and assets of a person, all those businesses, affairs, properties and assets; and

(2) where the receiver’s authority relates to only part of the businesses, affairs, properties or assets of a person, that part of the businesses, affairs, properties or assets, as the case may be.

1991, c. 67, s. 310; 1994, c. 22, s. 530; 1997, c. 3, s. 122; 2003, c. 2, s. 330; 2020, c. 11, s. 219.

**311.** The receiver is deemed to be a mandatary of the person and any supply made or received and any act performed by the receiver in respect of the relevant assets of the receiver is,

(1) in the case of a supply, deemed to have been made or received by the receiver as mandatary of the person; and

(2) in the case of any act, deemed to have been performed by the receiver as mandatary of the person.

1991, c. 67, s. 311; 1994, c. 22, s. 530.

**312.** The receiver is deemed not to be a trustee of the estate or any part of the estate of the person.

1991, c. 67, s. 312; 1994, c. 22, s. 530.

**312.1.** Where the relevant assets of the receiver are a part and not all of the person’s businesses, affairs, properties or assets, the relevant assets of the receiver are deemed to be, throughout the period during which

the receiver is acting as receiver of the person, separate from the remainder of the businesses, affairs, properties or assets of the person as though the relevant assets were businesses, affairs, properties or assets, as the case may be, of a separate person.

1994, c. 22, s. 531.

**313.** The person and the receiver are solidarily liable for the payment or remittance of all amounts that become payable or remittable by the person before or during the period during which the receiver is acting as receiver of the person to the extent that the amounts can reasonably be considered to relate to the relevant assets of the receiver or to the businesses, affairs, properties or assets of the person that would have been the relevant assets of the receiver if the receiver had been acting as receiver of the person at the time the amounts became payable or remittable, as the case may be.

Notwithstanding the first paragraph, the following rules apply:

(1) the receiver is liable for the payment or remittance of amounts that became payable or remittable before that period only to the extent of the property and money of the person in possession or under the control and management of the receiver after

(a) satisfying the claims of creditors whose claims ranked, on the particular day, in priority to the claim of the State in respect of the amounts, and

(b) paying any amounts that the receiver is required to pay to a trustee in bankruptcy of the person;

(2) the person is not liable for the remittance of any tax collected or collectible by the receiver; and

(3) the payment or remittance by the person or the receiver of an amount in respect of the liability shall discharge the liability to the extent of that amount.

1991, c. 67, s. 313; 1994, c. 22, s. 532; 1995, c. 63, s. 510; 1998, c. 16, s. 304.

**314.** Subject to sections 314.1 and 315, the reporting periods of the person begin and end on the days on which they would have begun and ended if the vesting had not occurred.

1991, c. 67, s. 314; 1994, c. 22, s. 532.

**314.1.** The reporting period of the person, in relation to the relevant assets of the receiver, during which the receiver begins to act as receiver of the person, shall end on the particular day and a new reporting period of the person in relation to the relevant assets shall begin on the day immediately after the particular day.

1994, c. 22, s. 533.

**315.** The reporting period of the person, in relation to the relevant assets of the receiver, during which the receiver ceases to act as receiver of the person, shall end on the day the receiver ceases to act as receiver of the person.

1991, c. 67, s. 315; 1994, c. 22, s. 534.

**316.** The receiver shall file with the Minister in prescribed form containing prescribed information all returns that are required to be filed by the person in respect of

(1) the relevant assets of the receiver for reporting periods ending in the period during which the receiver is acting as receiver of the person; and

(2) supplies of immovables that can reasonably be considered to relate to the relevant assets and that were made to the person in those periods.



The receiver shall file the returns referred to in the first paragraph as if the relevant assets were the only businesses, affairs, properties and assets of the person.

1991, c. 67, s. 316; 1994, c. 22, s. 534.

**317.** *(Repealed).*

1991, c. 67, s. 317; 1994, c. 22, s. 535.

**317.1.** The receiver shall, unless the Minister waives in writing the requirement for the receiver to file the return, file with the Minister in prescribed form containing prescribed information a return for the reporting period referred to in the second paragraph that relates to the businesses, affairs, properties or assets of the person that would have been the relevant assets of the receiver if the receiver had been acting as receiver of the person during that reporting period.

The rules set out in the first paragraph apply if the person has not on or before the particular day filed a return required to be filed by the person for a reporting period of the person ending

- (1) on or before the particular day; and
- (2) in or immediately before the fiscal year of the person that included the particular day.

1994, c. 22, s. 536.

**317.2.** The receiver shall, unless the Minister waives in writing the requirement for the receiver to file the return, file with the Minister in prescribed form containing prescribed information a return in respect of the supply referred to in the second paragraph that can reasonably be considered to relate to the businesses, affairs, properties or assets of the person that would have been the relevant assets of the receiver if the receiver had been acting as receiver of the person in the reporting period referred to in the second paragraph.

The rules set out in the first paragraph apply if the person has not on or before the particular day filed a return required to be filed by the person in respect of a supply of an immovable made to the person in a reporting period ending

- (1) on or before the particular day; and
- (2) in or immediately before the fiscal year of the person that included the particular day.

1994, c. 22, s. 536.

**317.3.** *(Repealed).*

1994, c. 22, s. 536; 2015, c. 21, s. 689.

## **DIVISION VII**

### **FORFEITURE, SEIZURE AND REPOSSESSION**

**318.** Where at any time, as a consequence of the breach, modification or termination, after 30 June 1992, of an agreement for the making of a taxable supply, other than a zero-rated supply, of property or a service in Québec by a registrant to a person, an amount is paid or forfeited to the registrant otherwise than as consideration for the supply, or a debt or other obligation of the registrant is reduced or extinguished without payment being made in respect of the debt or obligation,

(1) the person is deemed to have paid, at that time, an amount of consideration for the supply equal to the amount determined by multiplying the amount paid or forfeited, or by which the debt or obligation was reduced or extinguished, as the case may be, by 100/109.975; and

(2) the registrant is deemed to have collected, and the person is deemed to have paid, at that time, all tax in respect of the supply that is calculated on that consideration, which is deemed to be equal to tax under section 16 calculated on that consideration.

1991, c. 67, s. 318; 1994, c. 22, s. 537; 1997, c. 85, s. 600; 2010, c. 5, s. 221; 2011, c. 6, s. 258; 2012, c. 28, s. 101.

**318.0.1.** Paragraph 2 of section 318 does not apply in respect of amounts paid or forfeited, and debts or other obligations reduced or extinguished, as a consequence of a breach, modification or termination of an agreement where

(1) the agreement was entered into in writing before 1 July 1992;

(2) the amount is paid or forfeited, or the debt or other obligation is reduced or extinguished, as the case may be, after 1992; and

(3) tax in respect of the amount paid, forfeited or extinguished, or by which the debt or obligation was reduced, as the case may be, was not contemplated in the agreement.

1997, c. 85, s. 601.

**318.0.2.** Chapters I to V of Title VI do not apply in respect of section 318.

1997, c. 85, s. 601.

**318.1.** Section 318 does not apply to that part of any amount paid or forfeited in respect of the breach, modification or termination of an agreement for the making of a supply where that part is

(1) an additional amount that is charged to a person because the consideration for the supply is not paid within a reasonable period and is such an amount referred to in section 57;

(2) an amount paid by one railway corporation to another railway corporation as or on account of a penalty for failure to return rolling stock within a stipulated time; or

(3) an amount paid as or on account of demurrage.

1994, c. 22, s. 538.

**319.** *(Repealed).*

1991, c. 67, s. 319; 1994, c. 22, s. 539; 1997, c. 85, s. 602.

**320.** Where at any time after 1 July 1992 property of a person is, for the purpose of satisfying in whole or in part a debt or other obligation owing by the person to another person (in this section and in sections 321 to 324.6 referred to as the “creditor”), seized or repossessed by the creditor under a right or power exercisable by the creditor, other than a right or power that the creditor has under, or because of being a party to, a lease, licence or similar arrangement by which the person acquired the property, the following rules apply:

(1) the person is deemed to have made, and the creditor is deemed to have received, at that time a supply of the property by way of sale;

(2) the supply is deemed to have been made for no consideration, except for the purposes of sections 233, 234, 379 and 380;

(3) where the supply is a taxable supply of an immovable, for the purposes of sections 233, 234, 379 and 380, the tax payable in respect of the supply is deemed to be equal to the tax calculated on the fair market value of the property at that time; and

(4) where the supply is a supply of an immovable referred to in section 102, 138.1 or 168, for the purposes of sections 233, 234, 379 and 380, the supply is deemed to be a taxable supply and the tax payable in respect of the supply is deemed to be equal to the tax calculated on the fair market value of the property at that time.

1991, c. 67, s. 320; 1994, c. 22, s. 539; 1997, c. 85, s. 603.

**321.** Subject to section 323, where at any time a creditor who has seized or repossessed property, in circumstances in which section 320 applies, makes a supply, other than an exempt supply, of the property, except where any of sections 323.1 to 323.3 applied at an earlier time in respect of the use of the property by the creditor, the following rules apply:

(1) the creditor is deemed to have made the supply in the course of a commercial activity of the creditor; and

(2) anything done by the creditor in the course of, or in connection with, the making of the supply and not in connection with the seizure or repossession is deemed to have been done in the course of the commercial activity.

1991, c. 67, s. 321; 1994, c. 22, s. 539.

**322.** *(Repealed).*

1991, c. 67, s. 322; 1994, c. 22, s. 540.

**323.** Where a court, for the purpose of satisfying an amount owing under a judgment of the court, orders a bailiff or officer of the court to seize property of a debtor and subsequently makes a supply of the property, the supply of the property by the court is deemed to be made otherwise than in the course of a commercial activity.

1991, c. 67, s. 323; 1994, c. 22, s. 541; I.N. 2016-01-01 (NCCP).

**323.1.** Where a creditor who has seized or repossessed an immovable in circumstances in which section 320 applies or would, but for section 324.6, apply, begins at any time to use the immovable otherwise than in the making of a supply of the property, the creditor is deemed to have made a supply of the property at that time and, except where the supply is an exempt supply, the following rules apply:

(1) the creditor is deemed to have collected, at that time, tax in respect of the supply equal to the amount determined by multiplying the fair market value of the property at that time by 9.975/109.975; and

(2) the creditor is deemed to have acquired the property and paid that tax at that time.

1994, c. 22, s. 542; 1995, c. 63, s. 406; 1997, c. 85, s. 604; 2010, c. 5, s. 222; 2011, c. 6, s. 259; 2012, c. 28, s. 102.

**323.2.** Where a creditor who has seized or repossessed movable property from a person before 1 January 1994, in circumstances in which section 320 applies or would, but for section 324.6, apply, begins at a particular time to use the property otherwise than in the making of a supply of the property, the following rules apply:

(1) the creditor is deemed to have received, immediately after the particular time, a supply by way of sale of the property; and

(2) where tax would have been payable had the property been purchased in Québec from the person at the time it was seized or repossessed, the creditor is deemed

(a) to have made, at the particular time, a taxable supply of the property and to have collected, at that time, tax in respect of that supply equal to the amount determined by multiplying the fair market value of the property at the time it was seized or repossessed by 9.975/109.975, and

(b) to have paid, immediately after the particular time, tax in respect of the supply referred to in paragraph 1 equal to the amount determined under subparagraph *a*.

1994, c. 22, s. 542; 1995, c. 63, s. 407; 1997, c. 85, s. 605; 2010, c. 5, s. 223; 2011, c. 6, s. 260; 2012, c. 28, s. 103.

**323.3.** Where a creditor who has seized or repossessed movable property from a person after 31 December 1993, in circumstances in which section 320 applies or would, but for section 324.6, apply, begins at a particular time to use the property otherwise than in the making of a supply of the property, the following rules apply:

(1) the creditor is deemed

(a) to have received, immediately after the particular time, a supply by way of sale of the property, and

(b) to have paid, immediately after the particular time, all tax payable in respect of the supply, which is deemed to be equal to the amount determined by multiplying the fair market value of the property at the time it was seized or repossessed by 9.975/109.975, except where

i. the supply is a zero-rated supply, or

ii. in the case of property that was, at the time it was seized or repossessed, specified corporeal movable property having a fair market value in excess of the prescribed amount in respect of the property, tax would not have been payable had the property been purchased in Québec from the person at that time; and

(2) where tax would have been payable had the property been purchased in Québec from the person at the time it was seized or repossessed, the creditor is deemed

(a) to have made, at the particular time, a taxable supply of the property, and

(b) to have collected, at the particular time, all tax payable in respect of the supply, which is deemed to be equal to the amount determined by multiplying the fair market value of the property at the time it was seized or repossessed by 9.975/109.975.

1994, c. 22, s. 542; 1995, c. 63, s. 408; 1997, c. 85, s. 606; 2001, c. 53, s. 326; 2010, c. 5, s. 224; 2011, c. 6, s. 261; 2012, c. 28, s. 104.

**324.** The rules set out in the second paragraph apply where

(1) a creditor makes at any time a taxable supply by way of sale, other than a supply deemed under this Title to have been made, of movable property seized or repossessed from a person in circumstances in which section 320 applies;

(2) the creditor was not deemed under section 323.2, 323.3 or 324.2 to have received a supply of the property at an earlier time;

(2.1) the property is not a road vehicle within the meaning of the Highway Safety Code (chapter C-24.2) other than a road vehicle exempt from registration under section 14 of the Highway Safety Code; and

(3) no tax would have been payable by the creditor had the property been purchased in Québec by the creditor from the person at the time it was seized or repossessed;

(4) *(subparagraph repealed)*.

The creditor is deemed to have received a supply by way of sale of the property immediately before that time for consideration equal to the consideration for the supply referred to in subparagraph 1 of the first paragraph and, except if the supply is a zero-rated supply, to have paid, immediately before that time, all tax payable in respect of the supply deemed under this paragraph to have been received, which is deemed to be equal to the amount determined by the formula

A – B.

For the purposes of this formula,

(1) A is tax calculated on that consideration; and

(2) B is the total of all amounts each of which is an input tax refund or a rebate under Division I of Chapter VII that the creditor was entitled to claim in respect of the property or an improvement thereto.

1991, c. 67, s. 324; 1994, c. 22, s. 543; 1995, c. 63, s. 409; 1997, c. 85, s. 607; 2001, c. 51, s. 277; 2001, c. 53, s. 327.

**324.1.** Section 324 does not apply where

(1) the supply referred to in subparagraph 1 of the first paragraph of the said section is made outside Québec or is a zero-rated supply; and

(2) the property was seized or repossessed by the creditor before 1 January 1994 or was, at the time it was seized or repossessed, specified corporeal movable property having a fair market value in excess of the prescribed amount in respect of the property.

1994, c. 22, s. 544; 1997, c. 85, s. 608.

**324.2.** The rules set out in the second paragraph apply if

(1) at a particular time a creditor who has seized or repossessed movable property from a person in circumstances in which section 320 applies makes a taxable supply of the property by way of lease, licence or similar arrangement for the first lease interval, within the meaning of section 32.2, in respect of the arrangement;

(2) the creditor was not deemed under section 323.2 or 323.3 to have received a supply of the property at an earlier time;

(2.1) the property is not a road vehicle within the meaning of the Highway Safety Code (chapter C-24.2) other than a road vehicle exempt from registration under section 14 of the Highway Safety Code; and

(3) no tax would have been payable had the property been purchased in Québec from the person at the time it was seized or repossessed;

(4) *(subparagraph repealed)*.

The creditor is deemed to have received a supply by way of sale of the property immediately before the particular time and, except if the supply is a zero-rated supply, to have paid, immediately before the particular time, all tax payable in respect of the supply, which is deemed to be equal to tax calculated on the fair market value of the property at the time it was seized or repossessed.

1994, c. 22, s. 544; 1995, c. 63, s. 410; 1997, c. 85, s. 609; 2001, c. 51, s. 278; 2001, c. 53, s. 328.

**324.3.** Section 324.2 does not apply where

(1) the supply referred to in subparagraph 1 of the first paragraph of the said section is made outside Québec or is a zero-rated supply; and

(2) the property was seized or repossessed by the creditor before 1 January 1994 or was, at the time it was seized or repossessed, specified corporeal movable property having a fair market value in excess of the prescribed amount in respect of the property.

1994, c. 22, s. 544; 1997, c. 85, s. 610.

**324.4.** For the purposes of sections 320 to 324.3 and sections 324.5 and 324.6, where property is at any time voluntarily transferred by a particular person to another person for the purpose of satisfying in whole or in part a debt or other obligation in respect of which the particular person is in default, the other person is deemed to have seized or repossessed the property from the particular person at that time in circumstances in which section 320 applies.

1994, c. 22, s. 544.

**324.5.** The rules set out in the second paragraph apply where

(1) for the purpose of satisfying in whole or in part a debt or other obligation owing by a person, a creditor exercises a right under an Act of the Legislature of Québec, another province, the Northwest Territories, the Yukon Territory, Nunavut, or of the Parliament of Canada or an agreement relating to a debt security to cause the supply of property;

(2) section 323 does not apply to the supply; and

(3) a receiver, within the meaning assigned by section 310, does not have authority in respect of the property.

The creditor is deemed to have seized the property immediately before the supply and that supply is deemed to have been made by the creditor and not by the person.

1994, c. 22, s. 544; 1997, c. 85, s. 611; 2003, c. 2, s. 331.

**324.5.1.** The rules set out in the second paragraph apply where

(1) for the purpose of satisfying in whole or in part a debt or obligation owing by a person (in this section referred to as the “debtor”), a creditor exercises a right under an Act of the Legislature of Québec, another province, the Northwest Territories, the Yukon Territory, Nunavut, or of the Parliament of Canada or an agreement relating to a debt security to cause the supply of property (in this section referred to as the “first supply”);

(2) the recipient of the first supply has paid an amount (in this section referred to as the “tax amount”) as or on account of tax with respect to that supply; and

(3) under the Act or the agreement, the debtor has a right to redeem the property and the debtor exercises that right.

The rules to which the first paragraph refers are as follows:

(1) the redemption of the property is deemed to be a supply of the property made by way of sale by the recipient of the first supply to the debtor for no consideration; and

(2) where the property was redeemed from the recipient of the first supply and an amount has been reimbursed by the debtor to the creditor or that recipient on account of the tax amount,

(a) except for the purposes of sections 320 to 324.6, the debtor is deemed not to have supplied the property to the creditor under section 320 or to have received a supply of the property at the time of the redemption,

(b) the debtor is deemed, for the purposes of sections 400 to 402, to have paid tax in error at the time of the redemption equal to the amount so reimbursed,

(c) where the tax amount has been included in determining a rebate or an input tax refund claimed by that recipient in an application or return, the amount of the rebate or the input tax refund shall be added in determining the net tax of that recipient for the reporting period in which the property was redeemed, and

(d) the tax amount shall not be included in determining a rebate or an input tax refund claimed by that recipient in an application or a return filed after the redemption of the property.

1997, c. 85, s. 612; 2003, c. 2, s. 332.

**324.6.** Division VI applies and sections 320, 321 and 324 to 324.4 do not apply where a creditor

(1) is a receiver, within the meaning of section 310, in respect of property and exercises a right or power to seize or repossess property for the purpose of satisfying in whole or in part a debt or other obligation owing by a person; or

(2) appoints a mandatary who is a receiver within the meaning of section 310, in respect of property to exercise a right or power to seize or repossess property for the purpose of satisfying in whole or in part a debt or other obligation owing by a person.

1994, c. 22, s. 544.

## DIVISION VIII

### SUCCESSION AND TRUST

1997, c. 85, s. 613.

**324.7.** Subject to sections 324.8, 324.9 and 326, where an individual dies, this Title applies as though the succession of the individual were the individual and the individual had not died, except that

(1) the reporting period of the individual during which the individual died ends on the day the individual died; and

(2) a reporting period of the succession begins on the day after the individual died and ends on the day the reporting period of the individual would have ended if the individual had not died.

1997, c. 85, s. 614.

**324.8.** For the purposes of sections 324.9 to 326,

“trust” includes the succession of a deceased individual;

“trustee” includes the personal representative of a deceased individual, but does not include a receiver within the meaning assigned by the second paragraph of section 310.

1997, c. 85, s. 614.

**324.9.** Subject to section 324.10, each trustee of a trust is liable to satisfy every obligation imposed on the trust under this Title, whether the obligation was imposed before or during the period during which the trustee acts as trustee of the trust.

1997, c. 85, s. 614.

**324.10.** A trustee of a trust is solidarily liable with the trust and each of the other trustees, if any, for the payment or remittance of all amounts that become payable or remittable by the trust before or during the period during which the trustee acts as trustee of the trust.

Notwithstanding the first paragraph, the trustee is liable for the payment or remittance of amounts that became payable or remittable before the period only to the extent of the value of the property and money of the trust under the control of the trustee.

1997, c. 85, s. 614.

**324.11.** Notwithstanding section 324.9, the Minister may, in writing, waive the requirement for the personal representative of a deceased individual to file a return in prescribed form containing prescribed information for a reporting period of the individual ending on or before the day the individual died.

1997, c. 85, s. 614.

**324.12.** Where a person acts as trustee of a trust,

(1) anything done by the person in the person's capacity as trustee of the trust is deemed to have been done by the trust and not by the person; and

(2) notwithstanding paragraph 1, where the person is not an officer of the trust, the person is deemed to supply a service to the trust of acting as a trustee of the trust and any amount to which the person is entitled for acting in that capacity that is included, for the purposes of the Taxation Act (chapter I-3), in determining the person's income or, where the person is an individual, the person's income from a business, is deemed to be consideration for that supply.

1997, c. 85, s. 614.

**325.** Where a person settles property on an *inter vivos* trust,

(1) the person is deemed to have made and the trust is deemed to have received a supply by way of sale of the property; and

(2) the supply is deemed to have been made for consideration equal to the amount determined under the Taxation Act (chapter I-3) to be the proceeds of disposition of the property.

1991, c. 67, s. 325; 1993, c. 19, s. 212; 1995, c. 1, s. 291; 1997, c. 85, s. 615.

**326.** Where a trustee of a trust distributes property of the trust to one or more persons, the distribution of the property is deemed to be a supply of the property made by the trust at the place at which the property is delivered to the persons and for consideration equal to the amount determined under the Taxation Act (chapter I-3) to be the proceeds of disposition of the property.

1991, c. 67, s. 326; 1994, c. 22, s. 545; 1997, c. 85, s. 615.

## **DIVISION IX**

### **NON-RESIDENT PERSON**

**327.** For the purposes of this division, "non-resident person" means a person not resident in Québec who is not registered under Division I of Chapter VIII.

1991, c. 67, s. 327; 1995, c. 1, s. 292; 1995, c. 63, s. 411.

**327.1.** The rules set out in the second paragraph apply if

(1) a registrant

(a) makes a taxable supply in Québec of particular corporeal movable property by way of sale to a non-resident person,



(b) makes a taxable supply in Québec of a service of manufacturing or producing particular corporeal movable property to a non-resident person,

(c) acquires physical possession of particular corporeal movable property (other than property of a person that is resident in Québec) for the purpose of making a taxable supply in Québec of a commercial service in respect of the particular property to a non-resident person, or

(d) acquires—as the recipient of a supply of particular corporeal movable property made by way of lease, licence or similar arrangement by a non-resident person—physical possession of the particular property and either

i. gives a certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of the acquisition of physical possession of the particular property, or

ii. claims an input tax refund in respect of tax that is deemed to have been paid by the registrant under subparagraph 1 of the first paragraph of section 327.7 in respect of the particular property;

(2) the registrant, at a particular time, causes physical possession of the particular property to be transferred, at a place in Québec, to a third person (in this section referred to as the “consignee”) or to the non-resident person; and

(3) the non-resident person is not a consumer of the particular property.

The rules to which the first paragraph refers are as follows:

(1) the registrant is deemed to have made a taxable supply in Québec of the particular property to the non-resident person and the non-resident person is deemed to have received the taxable supply from the registrant;

(2) the taxable supply is deemed to have been made for consideration, that becomes due and is paid at the particular time, equal to

(a) except where subparagraph *b* applies, the fair market value of the particular property at the particular time, and

(b) where the registrant has caused physical possession of the particular property to be transferred to a consignee that is acquiring physical possession of the particular property as the recipient of a supply made by the non-resident person by way of sale for no consideration, nil; and

(3) the registrant is deemed not to have made the taxable supply referred to in any of subparagraphs *a* to *c* of subparagraph 1 of the first paragraph in respect of the particular property to the non-resident person, unless that supply is a supply of a service of storing the particular property.

1995, c. 1, s. 293; 1995, c. 63, s. 412; 1997, c. 85, s. 616; 2021, c. 14, s. 228.

**327.2.** The second paragraph of section 327.1 does not apply to a taxable supply referred to in subparagraph *a* of subparagraph 1 or to an acquisition referred to in subparagraph *b* of that subparagraph 1, if

(1) subparagraphs 1 to 3 of the first paragraph of section 327.1 apply to

(a) a taxable supply in respect of particular corporeal movable property that is made by a registrant and is referred to in any of subparagraphs *a* to *c* of subparagraph 1 of the first paragraph of section 327.1, or

(b) an acquisition by a registrant of physical possession of particular corporeal movable property that is referred to in subparagraph *d* of subparagraph 1 of the first paragraph of section 327.1;

(2) the transfer referred to in subparagraph 2 of the first paragraph of section 327.1 of physical possession of the particular property is to a person (in this section referred to as the “consignee”) that is registered under Division I of Chapter VIII;

(3) the consignee is acquiring physical possession of the particular property

(a) as the recipient of a taxable supply of the particular property made by a non-resident person,

(b) for the purpose of making a taxable supply in Québec of a service of manufacturing or producing other corporeal movable property to a non-resident person that is not a consumer of the other property, if the particular property

i. is transformed or incorporated into, attached to, or combined or assembled with, the other property in the manufacture or production of the other property, or

ii. is directly consumed or used in the manufacture or production of the other property,

(c) if the particular property is not property of a person that is resident in Québec, for the purpose of making a taxable supply in Québec of a commercial service in respect of the particular property to a non-resident person that is not a consumer of the particular property, or

(d) for the purpose of making a taxable supply in Québec of a commercial service in respect of other corporeal movable property (other than property of a person that is resident in Québec) to a non-resident person that is not a consumer of the other property, if the particular property

i. is incorporated into, attached to, or combined or assembled with, the other property in the provision of the commercial service, or

ii. is directly consumed or used in the provision of the commercial service; and

(4) the consignee gives to the registrant, and the registrant retains, a certificate that

(a) states the consignee’s name and registration number assigned under section 415 or 415.0.6,

(b) acknowledges that the consignee is acquiring physical possession of the particular property as the recipient of a supply referred to in subparagraph *a* of subparagraph 3 or for a purpose referred to in any of subparagraphs *b* to *d* of subparagraph 3, and

(c) acknowledges that the consignee is assuming liability to pay or remit any amount that is or may become payable or remittable by the consignee

i. under any of sections 18, 18.0.1.1 and 18.0.1.2 in respect of the particular property, or

ii. under this Title in respect of a supply, deemed under subparagraph 1 of the second paragraph of section 327.1 to have been made by the consignee, of the particular property or of the other property referred to in subparagraph *b* or *d* of subparagraph 3.

Where subparagraph *a* of subparagraph 1 of the first paragraph applies, the taxable supply referred to in that subparagraph *a* is deemed to have been made outside Québec.

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1995, c. 1, s. 293; 2003, c. 2, s. 333; 2015, c. 24, s. 174; 2021, c. 14, s. 228; 2022, c. 23, s. 189.

**327.2.1.** The second paragraph of section 327.1 does not apply to a taxable supply referred to in subparagraph *a* of subparagraph 1 or to an acquisition referred to in subparagraph *b* of subparagraph 1, if

(1) subparagraphs 1 to 3 of the first paragraph of section 327.1 apply to

(a) a taxable supply in respect of particular corporeal movable property that is made by a registrant and is referred to in any of subparagraphs *a* to *c* of subparagraph 1 of the first paragraph of section 327.1, or

(b) an acquisition by a registrant of physical possession of particular corporeal movable property that is referred to in subparagraph *d* of subparagraph 1 of the first paragraph of section 327.1;

(2) the transfer referred to in subparagraph 2 of the first paragraph of section 327.1 of physical possession of the particular property is to a person (in this section referred to as the “consignee”) that is not entitled, under section 327.2, to give to the registrant a certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of that transfer;

(3) either

(a) the particular property is, immediately after the particular time referred to in subparagraph 2 of the first paragraph of section 327.1, property of a particular person that is registered under Division I of Chapter VIII and that is neither the registrant nor the consignee, and the registrant retains a certificate that

i. is given to the registrant by the particular person,

ii. states the particular person’s name and registration number assigned under section 415 or 415.0.6,

iii. acknowledges that the particular property is, immediately after the particular time, property of the particular person, and

iv. where the particular property was acquired by the particular person by way of sale from a non-resident person, acknowledges that the particular person is assuming liability to pay any amount that is or may become payable by the particular person under any of sections 18, 18.0.1.1 and 18.0.1.2 in respect of the particular property, or

(b) a particular person, other than the registrant, that is registered under Division I of Chapter VIII makes a taxable supply by way of sale of the particular property to the consignee before the particular time, the consignee is acquiring physical possession of the particular property at the particular time as the recipient of that taxable supply, and the registrant retains a certificate that

i. is given to the registrant by the particular person, or by the consignee insofar as the consignee is registered under Division I of Chapter VIII,

ii. states the particular person’s name and registration number assigned under section 415 or 415.0.6,

iii. if the certificate is given by the consignee, states the consignee’s name and registration number assigned under section 415 or 415.0.6, and

iv. acknowledges that the particular person made a taxable supply by way of sale of the particular property to the consignee before the particular time and that the consignee acquired physical possession of the particular property at the particular time as the recipient of that taxable supply; and

(4) where subparagraph *a* of subparagraph 1 of the first paragraph of section 327.1 applies, the property is delivered or made available to the particular person referred to in subparagraph *a* or *b* of subparagraph 3, after the property is delivered or made available to the non-resident person referred to in subparagraph *a* of subparagraph 1 of the first paragraph of section 327.1 under the agreement for the taxable supply referred to in that subparagraph *a*.

Where subparagraph *a* of subparagraph 1 of the first paragraph applies, the taxable supply referred to in that subparagraph *a* is deemed to have been made outside Québec.

2021, c. 14, s. 229; 2022, c. 23, s. 190.

**327.2.2.** The second paragraph of section 327.1 does not apply to a taxable supply referred to in subparagraph 1 where

(1) subparagraphs 1 to 3 of the first paragraph of section 327.1 apply to a taxable supply in respect of particular corporeal movable property that is made by a registrant and is referred to in any of subparagraphs *a* to *c* of subparagraph 1 of the first paragraph of section 327.1;

(2) the transfer referred to in subparagraph 2 of the first paragraph of section 327.1 of physical possession of the particular property is to a person (in this section referred to as the “consignee”) that is acquiring physical possession of the particular property as the recipient of a taxable supply made by way of sale of the particular property that

(a) is deemed under section 477.18.4 to have been made by a distribution platform operator, and

(b) would, but for section 477.18.4, be made by a non-resident person;

(3) the distribution platform operator is registered under Division I of Chapter VIII; and

(4) the non-resident person gives to the registrant, and the registrant retains, a certificate that

(a) acknowledges that the consignee acquired physical possession of the particular property as the recipient of a taxable supply and that the distribution platform operator is required to collect tax in respect of that taxable supply, and

(b) states the distribution platform operator’s name and registration number assigned under section 415 or 415.0.6.

Where the first paragraph applies, the taxable supply referred to in subparagraph 1 of that paragraph is deemed to have been made outside Québec.

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2021, c. 18, s. 186.

**327.3.** The second paragraph of section 327.1 does not apply to a taxable supply described in subparagraph *a* of subparagraph 1, nor to an acquisition described in subparagraph *b* of subparagraph 1, if

(1) subparagraphs 1 and 3 of the first paragraph of section 327.1 apply to

(a) a taxable supply in respect of particular corporeal movable property that is made by a registrant and is referred to in any of subparagraphs *a* to *c* of subparagraph 1 of the first paragraph of section 327.1, or

(b) an acquisition by a registrant of physical possession of particular corporeal movable property that is referred to in subparagraph *d* of subparagraph 1 of the first paragraph of section 327.1; and

(2) either

(a) the registrant

i. causes physical possession of the particular property to be transferred at a place outside Québec,

ii. ships the particular property to a destination outside Québec that is specified in the contract for carriage of the particular property,

iii. causes physical possession of the particular property to be transferred to a common carrier or consignee that has been retained to ship the particular property to a destination outside Québec, or

iv. sends the particular property by mail or courier to an address outside Québec, or

(b) the following conditions are met:

- i. the registrant causes physical possession of the particular property to be transferred at a place in Québec to a person (in this subparagraph *b* referred to as the “shipper”),
- ii. after that transfer, the shipper ships the particular property outside Québec as soon as is reasonable having regard to the circumstances surrounding the shipping outside Québec and, if applicable, the normal business practices of the shipper and of the owner of the particular property,
- iii. the particular property has not been acquired by any owner of the particular property for consumption, use or supply in Québec at any time after that transfer and before the particular property is shipped outside Québec,
- iv. after that transfer but before the particular property is shipped outside Québec, the particular property is not further processed, transformed or altered except to the extent reasonably necessary or incidental to its transportation, and
- v. the registrant maintains evidence satisfactory to the Minister of the shipping outside Québec of the particular property or, if the shipper is authorized under section 427.3, the shipper provides the registrant with a certificate in which the shipper certifies that the particular property will be shipped outside Québec in the circumstances described in subparagraphs ii to iv.

Where subparagraph *a* of subparagraph 1 of the first paragraph applies, the supply referred to in subparagraph *a* is deemed to have been made outside Québec.

For the purposes of subparagraph iii of subparagraph *b* of subparagraph 2 of the first paragraph, if the only use of railway rolling stock after physical possession of it is transferred as described in that subparagraph iii and before it is next shipped outside Québec is for the purpose of transporting corporeal movable property or passengers in the course of its shipment outside Québec and that shipment occurs within 60 days after the day on which the transfer takes place, that use of the rolling stock is deemed to take place entirely outside Québec.

1995, c. 1, s. 293; 1995, c. 63, s. 413; 2003, c. 2, s. 334; 2021, c. 14, s. 230.

#### **327.4.** The rules set out in the second paragraph apply if

(1) a particular registrant makes a particular taxable supply in Québec of particular corporeal movable property by way of sale to a particular non-resident person that is not a consumer of the particular property; and

(2) the particular registrant or another registrant has physical possession of the particular property at the particular time at which the particular property is delivered or made available to the particular non-resident person under the agreement for the particular taxable supply and retains physical possession of the particular property after the particular time

(a) solely for the purpose of transferring physical possession of the particular property to the particular non-resident person, a person (in this section referred to as a “subsequent purchaser”) that subsequently acquires ownership of the particular property or a person designated by the particular non-resident person or a subsequent purchaser,

(b) for the purpose of making another taxable supply in Québec of a commercial service in respect of the particular property to the particular non-resident person or a subsequent purchaser,

(c) for the purpose of making another taxable supply in Québec of a service of manufacturing or producing other corporeal movable property to the particular non-resident person or to another non-resident person, if the particular non-resident person or the other non-resident person, as the case may be, is not a consumer of the other property and if the particular property

i. is transformed or incorporated into, attached to, or combined or assembled with, the other property in the manufacture or production of the other property, or

ii. is directly consumed or used in the manufacture or production of the other property,

(d) for the purpose of making another taxable supply in Québec of a commercial service in respect of other corporeal movable property (other than property of a person that is resident in Québec) to the particular non-resident person or to another non-resident person, if the particular non-resident person or the other non-resident person, as the case may be, is not a consumer of the other property and if the particular property

i. is incorporated into, attached to, or combined or assembled with, the other property in the provision of the commercial service, or

ii. is directly consumed or used in the provision of the commercial service, or

(e) where section 327.6.2 does not apply in respect of the particular taxable supply, as the recipient of another supply of the particular property made by the particular non-resident person, by a subsequent purchaser or by a lessee or sub-lessee of a subsequent purchaser.

The rules to which the first paragraph refers are as follows:

(1) where the particular registrant has physical possession of the particular property at the particular time,

(a) for the purposes of this Title, the particular taxable supply is deemed to have been made outside Québec,

(b) if any of subparagraphs *a* to *d* of subparagraph 2 of the first paragraph applies, the particular registrant is deemed for the purposes of this division

i. except if subparagraph ii applies, to have acquired, at the particular time, physical possession of the particular property for the purpose of making a taxable supply in Québec to the particular non-resident person of a commercial service in respect of the particular property that is not a storage service, or

ii. if subparagraph *b* of subparagraph 2 of the first paragraph applies and the other taxable supply referred to in that subparagraph *b* is to be made to the particular non-resident person or to a non-resident subsequent purchaser that is not a consumer of the particular property or if subparagraph *c* or *d* of subparagraph 2 of the first paragraph applies, to have acquired, at the particular time, physical possession of the particular property for the purpose referred to in any of subparagraphs *b* to *d* of subparagraph 2 of the first paragraph, and

(c) if subparagraph *e* of subparagraph 2 of the first paragraph applies, for the purposes of this division and of any of sections 18, 18.0.1.1 and 18.0.1.2,

i. the particular registrant is deemed to have acquired physical possession of the particular property, as the recipient of the other supply referred to in that subparagraph *e*, from another person that is a registrant,

ii. that acquisition of physical possession of the particular property is deemed to have occurred at the time when, and at the place where, the particular property is delivered or made available to the particular registrant under the agreement for that other supply, and

iii. the particular registrant is deemed to have given to the other person referred to in subparagraph i the certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of that acquisition of physical possession of the particular property; and

(2) where another registrant has physical possession of the particular property at the particular time, for the purposes of this division and of any of sections 18, 18.0.1.1 and 18.0.1.2,

(a) if subparagraph *a* of subparagraph 2 of the first paragraph applies and the other registrant gives to the particular registrant a certificate that contains the information set out in subparagraph 4 of the first paragraph of section 327.2 in respect of the particular property,

i. the particular registrant is deemed to have caused, at the particular time, physical possession of the particular property to be transferred at a place in Québec to the other registrant,

ii. the other registrant is deemed to have acquired, at the particular time, physical possession of the particular property for the purpose of making a taxable supply in Québec to the particular non-resident person of a commercial service in respect of the particular property that is not a storage service, and

iii. the certificate is deemed to be a certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of the transfer referred to in subparagraph i and the acquisition referred to in subparagraph ii,

(b) if any of subparagraphs *b* to *d* of subparagraph 2 of the first paragraph applies,

i. the particular registrant is deemed to have caused physical possession of the particular property to be transferred at a place in Québec to the other registrant,

ii. the other registrant is deemed to have acquired physical possession of the particular property from the particular registrant for the purpose referred to in any of those subparagraphs *b* to *d*, and

iii. the particular registrant is deemed to have caused that transfer, and the other registrant is deemed to have so acquired physical possession of the particular property, at the particular time or at the time specified in the third paragraph, as the case may be, and

(c) if subparagraph *e* of subparagraph 2 of the first paragraph applies,

i. the particular registrant is deemed to have caused physical possession of the particular property to be transferred to the other registrant,

ii. the other registrant is deemed to have acquired physical possession of the particular property from the particular registrant as the recipient of the other supply referred to in that subparagraph *e*, and

iii. the particular registrant is deemed to have caused that transfer, and the other registrant is deemed to have so acquired physical possession of the particular property, at the time when, and at the place where, the particular property is delivered or made available to the other registrant under the agreement for that other supply.

The time to which subparagraph iii of subparagraph *b* of subparagraph 2 of the second paragraph refers is, if subparagraph *b* of subparagraph 2 of the first paragraph applies and the other taxable supply referred to in that subparagraph *b* is to be made to a subsequent purchaser that is registered under Division I of Chapter VIII, the time at which the particular property is delivered or made available to the subsequent purchaser.

1995, c. 1, s. 293; 2021, c. 14, s. 230; 2022, c. 23, s. 191.

**327.5.** For the purposes of this division and of any of sections 18, 18.0.1.1 and 18.0.1.2, where a registrant at a particular time transfers physical possession of corporeal movable property to a depositary solely for the purpose of storing or shipping the property and the depositary has not, at or before that particular time, given the registrant a certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of the transfer of physical possession of the property, the following rules apply:

(1) where, under the agreement with the depositary for storing or shipping the property, the depositary is required to transfer physical possession of the property to another person, other than the registrant, that is named at the particular time in the agreement,

(a) the registrant is deemed not to have caused physical possession of the property to be transferred to the depositary and the depositary is deemed not to have acquired physical possession of the property,

(b) the registrant is deemed to have caused physical possession of the property to be transferred to the other person at the particular time and at the place where physical possession of the property is transferred to the other person by the depositary,

(c) the other person is deemed to have acquired physical possession of the property from the registrant for the purpose for which the other person is acquiring physical possession of the property from the depositary, and

(d) that acquisition of physical possession of the property is deemed to have occurred at the particular time and at the place where physical possession of the property is transferred to the other person by the depositary; and

(2) where, under the agreement with the depositary for storing or shipping the property, the depositary is required to transfer physical possession of the property to the registrant or to another person (in this section referred to as the “consignee”) that is to be identified after the particular time,

(a) the registrant is deemed to retain physical possession of the property, and the depositary is deemed not to have acquired physical possession of the property, throughout the period beginning at the particular time and ending at another time that is the earliest of

i. the time at which the depositary transfers physical possession of the property to the registrant,

ii. the time at which the registrant gives to the consignee sufficient documentation to enable the consignee to require the depositary to transfer physical possession of the property to the consignee,

iii. the time at which the registrant directs the depositary in writing to transfer physical possession of the property to the consignee,

iv. the time at which the depositary transfers physical possession of the property to the consignee, and

v. where the depositary is acquiring physical possession of the property for the purpose of storing the property, the time at which the depositary gives to the registrant a certificate that contains the information set out in subparagraph 4 of the first paragraph of section 327.2 in respect of the property,

(b) if the other time referred to in subparagraph *a* is described in any of subparagraphs ii to iv of subparagraph *a*,

i. the registrant is deemed to have caused physical possession of the property to be transferred to the consignee at the other time and at the place where physical possession of the property is transferred to the consignee by the depositary,

ii. the consignee is deemed to have acquired physical possession of the property from the registrant for the purpose for which the consignee is acquiring physical possession of the property from the depositary, and

iii. that acquisition of physical possession of the property is deemed to have occurred at the other time and at the place where physical possession of the property is transferred to the consignee by the depositary, and

(c) if the other time referred to in subparagraph *a* is described in subparagraph v of subparagraph *a*,

i. the transfer of physical possession of the property by the registrant to the depositary, and the acquisition of physical possession of the property by the depositary from the registrant, are deemed to have occurred at the other time and not at the particular time, and



ii. the certificate referred to in that subparagraph *v* is deemed to be the certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of that transfer and that acquisition.

1995, c. 1, s. 293; 2021, c. 14, s. 230; 2022, c. 23, s. 192; 2025, c. 27, s. 168.

**327.6.** For the purposes of this division and of any of sections 18, 18.0.1.1 and 18.0.1.2, where a non-resident person transfers physical possession of corporeal movable property to a depositary who is a registrant for the sole purpose of storing or shipping the property, the depositary is deemed not to have acquired physical possession of the property, if the depositary

(1) is a carrier who is acquiring physical possession of the property for the sole purpose of shipping the property, or

(2) does not claim an input tax refund in respect of the property.

1995, c. 1, s. 293; 1997, c. 85, s. 617; 2021, c. 14, s. 231; 2022, c. 23, s. 193.

**327.6.1.** For the purposes of this division and of any of sections 18, 18.0.1.1 and 18.0.1.2, the rules set out in the second paragraph apply if

(1) a registrant (in this section referred to as the “lessee”)

(a) is the recipient of a particular taxable supply of corporeal movable property made by way of lease, licence or similar arrangement by a particular non-resident person, and

(b) is not deemed under subparagraph *i* of subparagraph *b* of paragraph 1 of section 327.6.2 or subparagraph *b* of paragraph 2 of section 327.6.2 to have acquired physical possession of the property as the recipient of the particular taxable supply;

(2) either

(a) immediately before the particular time at which the property is delivered or made available to the lessee under the agreement for the particular taxable supply, another registrant has possession or use of the property as the recipient of another taxable supply of the property made by way of lease, licence or similar arrangement by the particular non-resident person or by another non-resident person, or

(b) the following conditions are met:

i. subparagraph *a* does not apply,

ii. another registrant has physical possession of the property immediately after the particular time, and

iii. the lessee did not have possession or use of the property immediately before the particular time as the recipient of another taxable supply of the property made by way of lease, licence or similar arrangement by the particular non-resident person or by another non-resident person; and

(3) it is not the case that a person that is a registrant acquired physical possession of the property before the particular time for the purpose of making a taxable supply in Québec of a commercial service in respect of the property to the particular non-resident person or to another non-resident person and continues to retain physical possession of the property until a time that is after the particular time.

The rules to which the first paragraph refers are as follows:

(1) the other registrant referred to in subparagraph *a* or *b* of subparagraph 2 of the first paragraph, as the case may be, is deemed to have transferred physical possession of the property to the lessee at the particular time and at the place where the property is delivered or made available to the lessee under the agreement for the particular taxable supply;

(2) the lessee is deemed to have acquired physical possession of the property from the other registrant as the recipient of the particular taxable supply; and

(3) that acquisition of physical possession of the property is deemed to have occurred at the particular time and at the place where the property is delivered or made available to the lessee under the agreement for the particular taxable supply.

2021, c. 14, s. 232; 2022, c. 23, s. 194.

**327.6.2.** Where a particular registrant makes a particular taxable supply in Québec of corporeal movable property by way of sale to a particular non-resident person that is not a consumer of the property and where at the particular time at which the property is delivered or made available to the particular non-resident person under the agreement for the particular taxable supply, the particular registrant or another registrant is, or is intended to be, the recipient of another supply of the property made by way of lease, licence or similar arrangement by the particular non-resident person or by another non-resident person, the following rules apply:

(1) where the particular registrant is, or is intended to be, at the particular time the recipient of the other supply,

(a) for the purposes of this Title, the particular taxable supply is deemed to have been made outside Québec, and

(b) for the purposes of this division and of any of sections 18, 18.0.1.1 and 18.0.1.2,

i. the particular registrant is deemed to have acquired physical possession of the property, as the recipient of the other supply, from another person that is a registrant,

ii. that acquisition of physical possession of the property is deemed to have occurred at the time when, and at the place where, the property is delivered or made available to the particular registrant under the agreement for the other supply, and

iii. the particular registrant is deemed to have given to the other person referred to in subparagraph i a certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of that acquisition of physical possession of the property; and

(2) where another registrant is, or is intended to be, at the particular time the recipient of the other supply, for the purposes of this division and of any of sections 18, 18.0.1.1 and 18.0.1.2,

(a) the particular registrant is deemed to have caused physical possession of the property to be transferred to the other registrant,

(b) the other registrant is deemed to have acquired physical possession of the property, as the recipient of the other supply, from the particular registrant, and

(c) the particular registrant is deemed to have caused that transfer, and the other registrant is deemed to have acquired physical possession of the property, at the time when, and at the place where, the property is delivered or made available to the other registrant under the agreement for the other supply.

2021, c. 14, s. 232; 2022, c. 23, s. 194.

**327.6.3.** For the purposes of this division and of any of sections 18, 18.0.1.1 and 18.0.1.2, where a registrant (in this section referred to as the “lessee”) acquires—as the recipient of a particular taxable supply of corporeal movable property made by way of lease, licence or similar arrangement by a particular non-resident person—physical possession of the property at a particular time and either of the conditions of the second paragraph applies, the lessee is deemed to retain physical possession of the property at all times throughout the period that begins at the particular time and ends at the earliest of

(1) the time at which the lessee causes physical possession of the property to be transferred to another registrant that

(a) is acquiring physical possession of the property for the purpose of making a taxable supply in Québec of a commercial service in respect of the property to the particular non-resident person or to another non-resident person, and

(b) retains physical possession of the property during a part of the period during which possession or use of the property is provided to the lessee under the arrangement;

(2) the time at which the lessee causes physical possession of the property to be transferred to the particular non-resident person or to another non-resident person; and

(3) the time at which the lessee causes physical possession of the property to be transferred to a person that is not referred to in subparagraphs 1 and 2, if that time is not included in

(a) the period during which possession or use of the property is provided to the lessee under the arrangement, or

(b) another period during which the lessee has possession or use of the property as the recipient of another taxable supply of the property made by way of lease, licence or similar arrangement by the particular non-resident person or by another non-resident person.

The conditions to which the first paragraph refers are as follows:

(1) the lessee gives a certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of the acquisition of physical possession of the property; and

(2) the lessee claims an input tax refund in respect of tax that is deemed to have been paid by the registrant under subparagraph 1 of the first paragraph of section 327.7 in respect of the property.

2021, c. 14, s. 232; 2022, c. 23, s. 194.

**327.6.4.** For the purposes of this division and of any of sections 18, 18.0.1.1 and 18.0.1.2, the rules set out in the second paragraph apply if

(1) a registrant (in this section referred to as the “lessee”) is the recipient of a particular taxable supply of corporeal movable property made by way of lease, licence or similar arrangement by a particular non-resident person;

(2) another registrant acquires physical possession of the property at a particular time for the purpose of making a taxable supply in Québec of a commercial service in respect of the property to the particular non-resident person or to another non-resident person; and

(3) the other registrant retains physical possession of the property during a part of the particular period during which possession or use of the property is provided to the lessee under the arrangement.

The rules to which the first paragraph refers are as follows:

(1) where a third person other than the lessee causes physical possession of the property to be transferred to the other registrant at the particular time, where the particular time is during the particular period and where the third person is not a registrant that acquires and retains physical possession of the property in the circumstances described in subparagraphs 2 and 3 of the first paragraph,

(a) the third person is deemed not to have caused that transfer of physical possession of the property, and

(b) the lessee is deemed to have caused, at the particular time, physical possession of the property to be transferred to the other registrant at the place where the other registrant acquires physical possession of the property; and

(2) where the other registrant causes, at a later time that is after the particular time but during the particular period, physical possession of the property to be transferred at a particular place to a third person other than the lessee and the third person is not a registrant that acquires and retains physical possession of the property in the circumstances described in subparagraphs 2 and 3 of the first paragraph,

(a) the other registrant is deemed to have caused, at the later time, physical possession of the property to be transferred to the lessee at the particular place,

(b) the lessee is deemed to have acquired physical possession of the property as the recipient of the particular taxable supply at the later time and at the place where the property is delivered or made available to the lessee under the arrangement, and

(c) the other registrant is deemed not to have caused physical possession of the property to be transferred to the third person, and the third person is deemed not to have acquired physical possession of the property.

2021, c. 14, s. 232; 2022, c. 23, s. 194.

**327.6.5.** For the purposes of this division and of any of sections 18, 18.0.1.1 and 18.0.1.2, the rules set out in the second paragraph apply if

(1) a registrant (in this section referred to as the “lessee”) is the recipient of a particular taxable supply of corporeal movable property made by way of lease, licence or similar arrangement by a particular non-resident person;

(2) a particular person other than the lessee has physical possession of the property immediately after the particular time that is at the end of the period during which possession or use of the property is provided to the lessee under the arrangement;

(3) where the particular person is a registrant, the particular person did not acquire physical possession of the property before the particular time for the purpose of making a taxable supply in Québec of a commercial service in respect of the property to the particular non-resident person or to another non-resident person;

(4) the lessee does not retain possession or use of the property after the particular time as the recipient of a taxable supply of the property made by way of lease, licence or similar arrangement by the particular non-resident person or by another non-resident person; and

(5) another registrant does not have possession or use of the property immediately after the particular time as the recipient of a taxable supply of the property made by way of lease, licence or similar arrangement by the particular non-resident person or by another non-resident person.

The rules to which the first paragraph refers are as follows:

(1) the lessee is deemed to have caused, at the particular time, physical possession of the property to be transferred to the particular person at the place where the particular person has physical possession of the property immediately after the particular time;

(2) where the particular person is a registrant and has physical possession of the property immediately after the particular time as the recipient of a supply referred to in subparagraph *a* of subparagraph 3 of the first paragraph of section 327.2, the particular person is deemed to have acquired, at the particular time and at the place referred to in subparagraph 1, physical possession of the property as the recipient of that supply; and

(3) where the particular person is a registrant and has physical possession of the property immediately after the particular time for the purpose of making a supply referred to in any of subparagraphs *b* to *d* of

subparagraph 3 of the first paragraph of section 327.2, the particular person is deemed to have acquired, at the particular time and at the place referred to in subparagraph 1, physical possession of the property for that purpose.

2021, c. 14, s. 232; 2022, c. 23, s. 194.

**327.6.6.** For the purposes of sections 327 to 327.6.5, substitute corporeal movable property is deemed to be the original corporeal movable property if

(1) one of the following conditions is met:

(a) a registrant acquires physical possession of the original corporeal movable property for the purpose of making a supply of a service of manufacturing or producing corporeal movable property (in this subparagraph referred to as the “manufactured property”) and the substitute corporeal movable property is used or consumed by being

i. incorporated or transformed into, attached to, or combined or assembled with, the manufactured property in the manufacture or production of the manufactured property, or

ii. directly consumed or used in the manufacture or production of the manufactured property,

(b) the following conditions are met:

i. a registrant acquires physical possession of the original corporeal movable property for the purpose of making a supply of a commercial service in respect of that property,

ii. if the commercial service is not a storage service, a service identical to the commercial service is performed in respect of the substitute corporeal movable property,

iii. the registrant causes physical possession of the substitute corporeal movable property to be transferred to another person under the agreement for the supply, and

iv. if the substitute corporeal movable property is a continuous transmission commodity, it is not being transferred to the other person by means of a wire, pipeline or other conduit, or

(c) a registrant acquires physical possession of the original corporeal movable property for the purpose of making a supply of a commercial service in respect of corporeal movable property (in this subparagraph referred to as the “serviced property”) that is neither the original corporeal movable property nor the substitute corporeal movable property and the substitute corporeal movable property is used or consumed by being

i. incorporated into, attached to, or combined or assembled with, the serviced property in the provision of the commercial service, or

ii. directly consumed or used in the provision of the commercial service; and

(2) the properties of the original corporeal movable property are essentially identical to the properties of the substitute corporeal movable property and the original corporeal movable property and the substitute corporeal movable property

(a) are of the same class or kind of property,

(b) are in the same measure and state, and

(c) are interchangeable for commercial purposes.

2023, c. 2, s. 89.

**327.7.** For the purpose of determining an input tax refund of, or the amount of a rebate payable under subdivision 5 or 5.2 of Division I of Chapter VII to, a particular person, where a non-resident person makes a supply of corporeal movable property to the particular person or, if the particular person is a registrant, causes physical possession of corporeal movable property (other than property of a person that is resident in Québec) to be transferred in Québec to the particular person, where the non-resident person has paid tax in respect of the bringing into Québec of the property or has paid tax in respect of a supply of the property deemed under section 327.1 to have been made by a registrant and where the non-resident person provides to the particular person evidence, satisfactory to the Minister, that the tax has been paid, the particular person is deemed

(1) to have paid, at the time the non-resident person paid that tax, tax in respect of a supply of the property to the particular person equal to that tax, and

(2) where the particular person is a registrant and the non-resident person causes physical possession of the property to be transferred in Québec to the particular person, to have acquired the property for use exclusively in commercial activities of the particular person.

This section applies only

(1) where the non-resident person makes a supply of the property to the particular person, if the non-resident person delivers the property, or makes it available, in Québec to the particular person before the property is used in Québec by or on behalf of the non-resident person, or

(2) where the particular person is a registrant and the non-resident person causes physical possession of the property to be transferred in Québec to the particular person, if the non-resident person does so in circumstances in which the particular person is acquiring physical possession of the property for the purpose of making a taxable supply in Québec of a commercial service in respect of the property to the non-resident person.

1995, c. 1, s. 293; 2015, c. 21, s. 690; 2021, c. 14, s. 233.

**327.7.1.** If, under subparagraph 1 of the first paragraph of section 327.7, a particular person is deemed to have paid tax equal to the tax paid by a non-resident person, the following rules apply:

(1) section 449 does not apply in respect of the tax paid by the non-resident person; and

(2) no portion of the tax paid by the non-resident person is to be rebated, refunded or remitted to the non-resident person, or is to be otherwise recovered by the non-resident person, under this or any other Act of the Parliament of Québec.

2015, c. 36, s. 206.

## **DIVISION IX.1**

### **OUTSIDE TRAVEL**

1997, c. 85, s. 618.

**327.8.** For the purposes of this division,

“outside flight” means any flight, other than a flight originating and terminating in Québec, of an aircraft that is operated by a person in the course of a business of supplying passenger transportation services;

“outside voyage” means any voyage, other than a voyage originating and terminating in Québec, of a vessel that is operated by a person in the course of a business of supplying passenger transportation services.

1997, c. 85, s. 618.

**327.9.** Where a supply of corporeal movable property or a service, other than a passenger transportation service, is made to an individual on board an aircraft on an outside flight or a vessel on an outside voyage and physical possession of the property is transferred to the individual, or the service is wholly performed, on board the aircraft or vessel, the supply is deemed to have been made outside Québec.

1997, c. 85, s. 618.

## **DIVISION X**

### **CLOSELY RELATED GROUP**

**327.10.** For the purposes of this division, “distribution” has the meaning assigned by section 308.0.1 of the Taxation Act (chapter I-3).

2009, c. 5, s. 618.

**328.** The expression “qualifying subsidiary” of a particular corporation means another corporation in respect of which the particular corporation holds qualifying voting control and owns not less than 90% of the value and number of the issued and outstanding shares, having full voting rights under all circumstances, of the capital stock of the other corporation.

1991, c. 67, s. 328; 2009, c. 5, s. 619; 2020, c. 16, s. 223.

**329.** The expression “qualifying subsidiary” of a particular corporation includes, in addition to the meaning assigned by section 328,

- (1) a corporation that is a qualifying subsidiary of a qualifying subsidiary of the particular corporation;
- (2) where the particular corporation is a credit union, every other credit union; and
- (3) where the particular corporation is a member of a mutual insurance group, every other member of that group.

1991, c. 67, s. 329; 1994, c. 22, s. 546.

**329.1.** For the purposes of this division, “qualifying group” means

- (1) a group of corporations, each member of which is closely related, within the meaning of sections 332 and 333, to each other member of the group; or
- (2) a group of specified partnerships, or of specified partnerships and corporations, each member of which is closely related, within the meaning of sections 331.2 and 331.3, to each other member of the group.

2001, c. 53, s. 329; 2009, c. 5, s. 620; 2025, c. 27, s. 169.

**330.** The expression “closely related group” means a group of corporations each member of which is a registrant resident in Canada that is closely related, within the meaning of sections 332 and 333, to each other member of the group.

For the purposes of this section, the following rules apply:

- (1) insurers that are not resident in Canada and have a permanent establishment in Canada are deemed to be resident in Canada;
- (2) credit unions and members of a mutual insurance group are deemed to be registrants; and

(3) a registrant includes a person who is registered, or who is required to be registered, for the purposes of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15).

1991, c. 67, s. 330; 2009, c. 5, s. 620; 2012, c. 28, s. 105.

**330.1.** For the purposes of this division, “qualifying member” of a qualifying group means a registrant that is a corporation resident in Québec or a specified partnership, each member of which is resident in Québec, and that

(1) is a member of the qualifying group;

(1.1) is not a party to an effective election made under section 297.0.2.1; and

(2) as the case may be,

(a) has property (other than financial instruments and property having a nominal value) and has last manufactured, produced, acquired or brought into Québec all or substantially all of its property (other than financial instruments and property having a nominal value) for consumption, use or supply exclusively in the course of commercial activities of the registrant,

(b) has no property (other than financial instruments and property having a nominal value) and has made supplies and all or substantially all of the supplies made by the registrant are taxable supplies, or

(c) has no property (other than financial instruments and property having a nominal value) and has not made taxable supplies and it is reasonable to expect that

i. the registrant will be making supplies throughout the next 12 months,

ii. all or substantially all of the supplies referred to in subparagraph i will be taxable supplies, and

iii. all or substantially all of the property (other than financial instruments and property having a nominal value) to be manufactured, produced, acquired or brought into Québec by the registrant within the next 12 months will be for consumption, use or supply exclusively in the course of commercial activities of the registrant.

2009, c. 5, s. 621; 2012, c. 28, s. 106; 2015, c. 24, s. 175; 2025, c. 27, s. 170.

**331.** For the purposes of this division, “specified member” of a qualifying group means

(1) a qualifying member of the group; or

(2) a temporary member of the group during the course of the reorganization referred to in paragraph 5 of section 331.0.1.

1991, c. 67, s. 331; 1994, c. 22, s. 547; 1999, c. 83, s. 315; 2001, c. 53, s. 330; 2009, c. 5, s. 622.

**331.0.1.** For the purposes of this division, “temporary member” of a qualifying group means a particular corporation

(1) that is a registrant;

(2) that is resident in Québec;

(3) that is a member of the qualifying group;

(4) that is not a qualifying member of the qualifying group;

(4.1) that is not a party to an effective election under section 297.0.2.1;



(5) that receives a supply of property in respect of which the following conditions are met:

(a) the supply is made by another corporation that is a qualifying member of the qualifying group in anticipation of a distribution made in the course of a reorganization whereby the shares of the particular corporation are to be transferred on the distribution to one or more corporations (in this section referred to as the “transferee corporations”),

(b) the supplied property includes property that is neither a financial instrument nor property having a nominal value, and

(c) all or substantially all of the supplied property, other than financial instruments and property having a nominal value,

i. was last manufactured, produced, acquired or brought into Québec by the other corporation for consumption, use or supply exclusively in the course of the commercial activities of the other corporation,

ii. is not consumed, used or supplied by the particular corporation otherwise than exclusively in the course of its commercial activities, and

iii. may reasonably be expected to be consumed, used or supplied by the transferee corporations exclusively in the course of their commercial activities within 12 months after the time the supply is made;

(6) that, before receiving the supply, does not carry on any business or have any property (other than financial instruments); and

(7) the shares of which are transferred to the transferee corporations on the distribution referred to in subparagraph *a* of paragraph 5.

2009, c. 5, s. 623; 2013, c. 10, s. 225; 2015, c. 24, s. 176; 2025, c. 27, s. 171.

**331.1.** For the purposes of this division, “specified partnership” means a partnership each member of which is a corporation or a partnership.

2001, c. 53, s. 331; 2009, c. 5, s. 624; 2025, c. 27, s. 172.

**331.2.** For the purposes of this division, a particular specified partnership and another person that is a specified partnership or a corporation are closely related to each other at any time if, at that time,

(1) in the case where the other person is a specified partnership,

(a) all or substantially all of the interest in the other person is held by

i. the particular partnership,

ii. a corporation, or a specified partnership, that is a member of a qualifying group of which the particular partnership is a member, or

iii. any combination of corporations or partnerships referred to in subparagraphs i and ii, or

(b) the particular partnership

i. both holds qualifying voting control in respect of a corporation that is a member of a qualifying group of which the other person is a member and owns at least 90% of the value and number of the issued and outstanding shares, having full voting rights under all circumstances, of the capital stock of the corporation, or

ii. holds all or substantially all of the interest in a specified partnership that is a member of a qualifying group of which the other person is a member; and

(2) in the case where the other person is a corporation,

(a) qualifying voting control in respect of the other person is held by, and not less than 90% of the value and number of the issued and outstanding shares, having full voting rights under all circumstances, of the capital stock of the other person are owned by,

i. the particular partnership, or

ii. a corporation, or a specified partnership, that is a member of a qualifying group of which the particular partnership is a member,

(b) qualifying voting control in respect of a corporation is held by, and not less than 90% of the value and number of the issued and outstanding shares, having full voting rights under all circumstances, of the capital stock of the corporation are owned by,

i. the other person, if the corporation is a member of a qualifying group of which the particular partnership is a member, or

ii. the particular partnership, if the corporation is a member of a qualifying group of which the other person is a member,

(c) all or substantially all of the interest in the particular partnership is held by

i. the other person,

ii. a corporation, or a specified partnership, that is a member of a qualifying group of which the other person is a member, or

iii. any combination of corporations or partnerships referred to in subparagraphs i and ii, or

(d) all or substantially all of the interest in a specified partnership is held by

i. the other person, if the specified partnership is a member of a qualifying group of which the particular partnership is a member, or

ii. the particular partnership, if the specified partnership is a member of a qualifying group of which the other person is a member.

2001, c. 53, s. 331; 2009, c. 5, s. 625; 2020, c. 16, s. 224; 2025, c. 27, s. 173.

**331.3.** If, under section 331.2, two persons are closely related to the same corporation or the same specified partnership, the two persons are closely related to each other for the purposes of this division.

2001, c. 53, s. 331; 2009, c. 5, s. 626; 2020, c. 16, s. 225; 2025, c. 27, s. 174.

**331.4.** For the purposes of this division, a person or a group of persons holds, at any time, all or substantially all of the interest in a partnership only if, at that time,

(1) the person, or every person in the group of persons, is a member of the partnership; and

(2) the person, or the members of the group collectively, as the case may be, is or are

(a) entitled to receive at least 90% of

i. if the partnership had income for the last fiscal period, within the meaning of the Taxation Act (chapter I-3), of the partnership that ended before that time, or if the partnership's first fiscal period includes that time, for that fiscal period, the total of all amounts each of which is the share of that income from all sources that each member of the partnership is entitled to receive, or

ii. if the partnership had no income for the last fiscal period or the first fiscal period referred to in subparagraph i, as the case may be, the total of all amounts each of which is the share of the income of the partnership that each member of the partnership would be entitled to receive if the income of the partnership from each source were one dollar,

(b) entitled to receive at least 90% of the total amount that would be paid to all members of the partnership, otherwise than as a share of any income of the partnership, if it were wound up at that time, and

(c) able to direct the business and affairs of the partnership or would be so able if no secured creditor had any security interest in an interest in, or the property of, the partnership.

2001, c. 53, s. 331; 2009, c. 5, s. 627.

**332.** A particular corporation and another corporation are closely related to each other at any time if, at that time,

(1) qualifying voting control in respect of the other corporation is held by, and not less than 90% of the value and number of the issued and outstanding shares, having full voting rights under all circumstances, of the capital stock of the other corporation are owned by,

(a) the particular corporation,

(b) a qualifying subsidiary of the particular corporation,

(c) a corporation of which the particular corporation is a qualifying subsidiary, or

(d) a qualifying subsidiary of a corporation of which the particular corporation is a qualifying subsidiary;  
or

(2) the other corporation is a prescribed corporation in relation to the particular corporation.

1991, c. 67, s. 332; 1994, c. 22, s. 548; 2009, c. 5, s. 628; 2020, c. 16, s. 226.

**332.1.** A person or a group of persons holds qualifying voting control in respect of a corporation at any time if, at that time,

(1) the person, or the members of the group collectively, as the case may be, own shares of the capital stock of the corporation to which are attached not less than 90% of the shareholder votes that may be cast in respect of each matter, other than a matter

(a) for which a statute of a country, or of a state, province, or other political subdivision of a country, that applies to the corporation provides, in respect of the vote of the shareholders of the corporation on the matter, that

i. any shareholder of the corporation has voting rights that are different from the voting rights that the shareholder would otherwise have under the letters patent, instrument of continuance or other constituting act by which the corporation was incorporated or continued, including any amendment to, or restatement of, such an instrument or act, or

ii. holders of a class or series of shares of the capital stock of the corporation are entitled to vote separately, or

(b) that is a prescribed matter or a matter that meets prescribed conditions or arises in prescribed circumstances; or

(2) the person or group, as the case may be, is a prescribed person or group in relation to the corporation.

2020, c. 16, s. 227.

**333.** If under section 332 two corporations are closely related to the same corporation, they are closely related to each other.

1991, c. 67, s. 333; 2009, c. 5, s. 629.

**333.1.** For the purposes of sections 332 and 333, an investment fund that is a member of a mutual insurance group is deemed to be a corporation.

1994, c. 22, s. 549.

**333.2.** For the purposes of section 332.1, a particular person is deemed not to own a share at a particular time if

(1) another person has a right under a contract or otherwise, either immediately or in the future and either absolutely or contingently, to control the voting rights attached to the share, other than a right that is not exercisable at the particular time because its exercise is contingent on the death, bankruptcy or permanent disability of an individual; and

(2) the other person is not closely related to the particular person at the particular time.

2020, c. 16, s. 228.

**334.** If at any time after 31 December 2014 a person that is a specified member of a qualifying group files an election made jointly by the person and another specified member of the group to have this section apply, every taxable supply made between them at a time when the election is in effect is deemed to have been made for no consideration.

This section does not apply in respect of

(1) a supply by way of sale of an immovable;

(2) a supply of property, or of a service, that is not acquired by the recipient for consumption, use or supply exclusively in the course of commercial activities of the recipient;

(3) *(subparagraph repealed);*

(4) *(subparagraph repealed);*

(5) *(subparagraph repealed);*

(6) a supply that is not a supply of property in respect of which the conditions set out in paragraph 5 of section 331.0.1 are met, if the recipient of the supply is a temporary member.

1991, c. 67, s. 334; 1993, c. 19, s. 213; 1994, c. 22, s. 550; 1995, c. 63, s. 414; 2001, c. 53, s. 332; 2009, c. 5, s. 630; 2012, c. 28, s. 107; 2015, c. 24, s. 177; 2025, c. 27, s. 175.

**334.1.** For the purposes of this division, if an election made under section 334 has been filed with the Minister by a person before 1 January 2015, the election is deemed never to have been filed.

2015, c. 24, s. 178.

**335.** An election under section 334 made jointly by a particular member of a qualifying group and another member of the group ceases to have effect on the earliest of

(1) the day on which the particular member ceases to be a specified member of the group;

(2) the day on which the other member ceases to be a specified member of the group; and

- (3) the day on which the election is revoked jointly by those members.

1991, c. 67, s. 335; 1994, c. 22, s. 550; 2001, c. 53, s. 333.

**335.1.** An election under section 334 made jointly by a particular specified member of a qualifying group and another specified member of the group and a revocation of the election by those specified members must

(1) be made in the prescribed form containing prescribed information and specify the day (in this section referred to as the “effective day”) on which the election or revocation is to become effective; and

(2) be filed with the Minister in the manner determined by the Minister, on or before

(a) the day on or before which the specified member must file a return under Chapter VIII for the reporting period of the specified member that includes the effective day, or, if it is earlier, the day on or before which the other member must file a return under Chapter VIII for the reporting period of the other member that includes the effective day, or

(b) any day after the day described in subparagraph *a* that the Minister may determine.

2015, c. 24, s. 179.

**335.2.** A particular person and another person are solidarily liable for all obligations that arise from the application of this Title because of a failure to account for or pay as and when required under this Title an amount of net tax of the particular person or of the other person if that tax is attributable to a supply made at any time between the particular person and the other person and if

(1) an election under section 334 made jointly by the particular person and the other person

(a) is in effect at that time, or

(b) ceased to be in effect before that time but the particular person and the other person are conducting themselves as if the election were in effect at that time; or

(2) the particular person and the other person purport to have jointly made an election under section 334 before that time and are conducting themselves as if the election were in effect at that time.

2015, c. 24, s. 179.

**336.** *(Repealed).*

1991, c. 67, s. 336; 1994, c. 22, s. 550; 2006, c. 13, s. 237.

**337.** *(Repealed).*

1991, c. 67, s. 337; 2012, c. 28, s. 108.

**337.1.** *(Repealed).*

1994, c. 22, s. 551; 2012, c. 28, s. 108.

## DIVISION XI

### DIVISIONS OR BRANCHES OF PUBLIC SERVICE BODY

1994, c. 22, s. 552.

**337.2.** For the purposes of this division, a small supplier division of a public service body, at any time, means a division or branch of the public service body that, at that time,

(1) is a division or branch designated by the Minister as an eligible division for the purposes of this section and of sections 338 to 341.3; and

(2) would be a small supplier under paragraph 1 of the definition of “small supplier” in section 1 if

(a) the division or branch were a person separate from the public service body and its other divisions or branches,

(b) the division or branch were not associated with any other person, and

(c) every supply made by the public service body through the division or branch were made by the division or branch.

1994, c. 22, s. 552; 1995, c. 1, s. 294.

**338.** A public service body that is engaged in one or more activities in separate divisions or branches may apply to the Minister, in prescribed form containing prescribed information, to have the division or branch specified in the application designated by the Minister as an eligible division for the purposes of section 337.2, this section and sections 339 to 341.3.

1991, c. 67, s. 338; 1994, c. 22, s. 552.

**339.** Where the Minister receives an application under section 338, the Minister may, by notice in writing, designate the division or branch specified in the application as an eligible division for the purposes of sections 337.2 and 338, this section and sections 340 to 341.3, effective on a day specified in the notice, if the Minister is satisfied that the division or branch can be separately identified by reference to its location or the nature of the activities engaged in by it, that books of account, other records and accounting systems are maintained separately in respect of the division or branch and that a revocation pursuant to a request made under paragraph 3 of section 340 by the public service body in respect of the division or branch has not become effective in the 365-day period ending on the day specified in the notice.

1991, c. 67, s. 339; 1994, c. 22, s. 552; 2000, c. 25, s. 28.

**340.** The Minister may, in writing, revoke a designation under section 339 of a division or branch of a public service body where

(1) the division or branch can no longer be separately identified by reference to its location or the nature of the activities engaged in by it;

(2) books of account, other records and accounting systems are not maintained separately in respect of the division or branch; or

(3) the public service body makes a request in writing to the Minister that the designation be revoked.

1991, c. 67, s. 340; 1994, c. 22, s. 552; 2000, c. 25, s. 29.

**341.** Where under section 340 the Minister revokes a designation, the Minister shall send a notice in writing of the revocation to the public service body and shall specify therein the effective date of the revocation.

1991, c. 67, s. 341; 1994, c. 22, s. 552.

**341.0.1.** Notwithstanding sections 338 to 341, where a public service body applies to the Minister of National Revenue under subsection 2 of section 129 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) to have the division or branch specified in the application designated by the Minister of National Revenue as an eligible division for the purposes of section 129 of that Act,

(1) the body is not required to make an application under section 338;

(2) the body is deemed to have received a notice in writing from the Minister under section 339 designating the division or branch specified in the application as an eligible division or branch for the purposes of sections 337.2 to 341.3, from the day on which the division or branch is designated by the Minister of National Revenue, by a notice in writing, as an eligible division or branch for the purposes of section 129 of that Act;

(3) the designation deemed to have been made under section 339 is deemed to have been revoked from the day on which the designation under subsection 3 of section 129 of that Act is revoked under subsection 4 of section 129 of that Act; and

(4) the notice in writing sent to the body under subsection 5 of section 129 of that Act is deemed to be a notice in writing sent to the body under section 341 and the effective date of the notice is deemed to be the effective date of the revocation.

The Minister may require that the body inform the Minister in prescribed form containing prescribed information and in the manner and within the time prescribed by the Minister of any designation under subsection 3 of section 129 of that Act or of any revocation of a designation, or require that the body transmit to the Minister a notice of designation or of revocation of a designation.

1997, c. 85, s. 619.

**341.1.** Where a division or branch of a public service body that is a registrant becomes at any time a small supplier division and the public service body does not, at that time, cease to be a registrant, the public service body is deemed

(1) to have made, immediately before that time, a supply of each of its properties, other than capital property or an improvement thereto, that was held immediately before that time for consumption, use or supply in the course of commercial activities of the body and that the body begins, immediately after that time, to hold for consumption, use or supply primarily in the course of activities engaged in by the body through its small supplier divisions; and

(2) except where the supply is an exempt supply, to have collected, immediately before that time, tax in respect of the supply equal to the total of all input tax refunds in respect of the property that the body was entitled to claim at or before that time.

1994, c. 22, s. 552; 1995, c. 63, s. 415.

**341.2.** Where, at any time in a particular reporting period of a public service body that is a registrant, a division or branch of the body becomes a small supplier division and the body does not, at that time, cease to be a registrant, the rules prescribed in section 341.3 apply in determining the input tax refund and in determining the net tax of the body if, in or before the particular reporting period, tax became payable, or was paid without having become payable, by the body and is calculated on consideration, or a part thereof, that

(1) is a rent, royalty or similar payment in respect of property and that is reasonably attributable to a period (referred to as the “lease period” for the purposes of section 341.3) after that time; or

(2) is reasonably attributable to services that are to be rendered after that time.

1994, c. 22, s. 552.

**341.3.** In determining the input tax refund claimed in respect of the tax referred to in section 341.2 by the public services body in the return under section 468 for the particular reporting period or any subsequent reporting period, there shall not be included any portion of the amount determined by the formula

$A \times B.$

For the purposes of this formula,

(1) A is the tax referred to in section 341.2; and

(2) B is the extent, expressed as a percentage, to which the property is used by the public service body during the lease period, or the services were acquired or brought into Québec by the body for consumption, use or supply, in the course of activities engaged in by the body through the division or branch.

Where all or any portion of the amount determined under the first paragraph was included in determining an input tax refund claimed by the public service body in a return under section 468 for a reporting period ending before the particular reporting period, that amount or portion thereof shall be added in determining the net tax for the particular reporting period.

1994, c. 22, s. 552.

**341.4.** If a public service body makes a taxable supply through a division or branch of the body and the consideration or a part of the consideration becomes due to the body at a time when the division or branch is a small supplier division or is paid to the body at such a time without having become due, the consideration or the part of the consideration, as the case may be, must not be included in calculating the tax payable in respect of the supply or in determining the threshold amount of the body under sections 462 to 462.1.1 and that supply is deemed not to have been made by a registrant.

This section does not apply in respect of the retail sale of tobacco within the meaning of the Tobacco Tax Act (chapter I-2) and in respect of

(1) a supply of alcoholic beverages;

(2) a supply by way of sale of an immovable;

(3) a supply by way of sale of movable property by a municipality that is capital property of the municipality; or

(4) a supply by way of sale of designated municipal property of a person designated to be a municipality for the purposes of subdivision 5 of Division I of Chapter VII that is capital property of the person.

However, the exception provided for in the second paragraph in respect of the supply of alcoholic beverages does not apply if the supply is made by a public service body which is not required to be registered under this Title at the time of the supply.

1994, c. 22, s. 552; 1995, c. 63, s. 416; 1997, c. 14, s. 341; 2015, c. 21, s. 691.

**341.5.** In determining the input tax refund of a public service body, there shall not be included an amount in respect of tax that at any time became payable, or was paid without having become payable, by the body, to the extent that the tax

(1) is in respect of the acquisition or bringing into Québec of property, other than capital property or an improvement thereto, of the body for the purpose of consumption, use or supply in the course of activities engaged in by the body through a small supplier division of the body; or

(2) is calculated on consideration, or a part thereof, that is reasonably attributable to services that were, before that time, consumed, used or supplied by the body in the course of activities engaged in by the body through a small supplier division of the body or that are, at that time, intended to be so consumed, used or supplied.

1994, c. 22, s. 552.



**341.6.** Where property is supplied by way of lease, licence or similar arrangement to a public service body for consideration that includes two or more periodic payments that are attributable to successive parts (each of which is referred to in this section as a “lease interval”) of the period for which possession or use of the property is provided under the arrangement, no amount of tax that became payable, or was paid without having become payable, by the body, in a reporting period in respect of the supply of property, calculated on a particular periodic payment, shall be included in determining an input tax refund of the body for the reporting period to the extent that the body intended, at the beginning of the lease interval to which the particular periodic payment is attributable, to use the property in the course of activities engaged in by the body through a small supplier division of the body.

1994, c. 22, s. 552.

**341.7.** Where a public service body that is a registrant begins at any time to hold property of the body, other than capital property, for consumption, use or supply primarily in the course of activities engaged in by the body through its small supplier divisions, and immediately before that time, the body was holding the property for consumption, use or supply in the course of commercial activities of the body, and otherwise than primarily in the course of activities engaged in by the body through its small supplier divisions, the body is deemed, except where section 341.1 or section 209 applies,

- (1) to have made, immediately before that time, a supply of the property; and
- (2) except where the supply is an exempt supply, to have collected, immediately before that time, tax in respect of the supply equal to the total of all input tax refunds in respect of the property that the body was entitled to claim at or before that time.

1994, c. 22, s. 552; 1995, c. 63, s. 417.

**341.8.** For the purpose of determining an input tax refund of a public service body, the second paragraph applies, except where section 207 applies, where

- (1) the body begins, at any time, to hold property of the body, other than capital property, for consumption, use or supply primarily in the course of activities engaged in by the body otherwise than through its small supplier divisions;
- (2) immediately before that time the property was held by the body for consumption, use or supply primarily in the course of activities engaged in by the body through its small supplier divisions; and
- (3) immediately after that time the property is held by the body for consumption, use or supply in the course of commercial activities engaged in by the body otherwise than through its small supplier divisions.

The public service body is deemed to have received a supply of the property and to have paid, at that time, tax in respect of the supply equal to the lesser of

- (1) the amount, if any, by which the total of all amounts each of which is tax that, before that time, was paid or became payable by the body in respect of the last acquisition or bringing into Québec of the property or that was deemed under section 341.1 to have been collected by the body in respect of the property exceeds the total of all refunds and rebates that the body was entitled to claim under this Title before that time in respect of that acquisition or bringing into Québec; and
- (2) the amount that is the tax calculated on the fair market value of the property at that time.

1994, c. 22, s. 552; 1995, c. 63, s. 418.

**341.9.** For the purpose of determining an input tax refund in respect of capital property of a public service body and for the purposes of subdivision 5 of Division II of Chapter V, an activity engaged in by a public

service body is deemed not to be a commercial activity of the body to the extent that the activity is engaged in through a small supplier division of the body.

1994, c. 22, s. 552.

## **DIVISION XII**

### **UNINCORPORATED ORGANIZATION**

**342.** Where a particular unincorporated organization is a member of another unincorporated organization, the particular organization and the other organization may apply jointly to the Minister, in prescribed form containing prescribed information, to have the particular organization deemed to be a branch of the other organization and not to be a separate person.

1991, c. 67, s. 342.

**343.** Where the Minister receives an application under section 342 made by a particular unincorporated organization and another unincorporated organization and is satisfied that it is appropriate, for the purposes of this Title, to approve the application, the Minister may, in writing, approve the application.

Thereafter, the particular unincorporated organization is deemed to be a branch of the other organization and not to be a separate person, except as regards

(1) the purposes for which the particular unincorporated organization is deemed under section 339 to be a separate person;

(2) *(subparagraph repealed)*.

1991, c. 67, s. 343; 1993, c. 19, s. 214; 1995, c. 63, s. 419.

**344.** Where either the particular unincorporated organization or the other organization referred to in section 342 requests the Minister in writing to revoke the approval granted under section 343, the Minister may revoke the approval.

Thereafter, the particular unincorporated organization is deemed to be a separate person and not to be a branch of the other organization.

1991, c. 67, s. 344.

**345.** Where under section 344 the Minister revokes an approval, the Minister shall send a notice in writing of the revocation to the organizations affected and shall specify therein the effective date of the revocation.

1991, c. 67, s. 345.

## **DIVISION XIII**

### **PARTNERSHIP AND JOINT VENTURE**

1997, c. 85, s. 620.

**345.1.** Anything done by a person as a member of a partnership is deemed to have been done by the partnership in the course of the partnership's activities and not to have been done by the person.

1997, c. 85, s. 621.

**345.2.** Notwithstanding section 345.1, where property or a service is acquired or brought into Québec by a member of a partnership for consumption, use or supply in the course of activities of the partnership but not on the account of the partnership, the following rules apply:

(1) except as otherwise provided in section 212, the partnership is deemed not to have acquired or brought into Québec the property or service;

(2) where the member is not an individual, for the purpose of determining an input tax refund or rebate of the member in respect of the property or service and, in the case of property that is acquired or brought into Québec for use as capital property of the member, applying subdivision 5 of Division II of Chapter V in relation to the property,

(a) section 345.1 does not apply to deem the member not to have acquired or brought into Québec the property or service, and

(b) the member is deemed to be engaged in those activities of the partnership; and

(3) where the member is not an individual and the partnership at any time pays an amount to the member as a reimbursement and is entitled to claim an input tax refund in respect of the property or service in circumstances in which section 212 applies, any input tax refund in respect of the property or service that the member would, but for this section, be entitled to claim in a return of the member that is filed with the Minister after that time shall be reduced by the amount of the input tax refund that the partnership is entitled to claim.

1997, c. 85, s. 621.

**345.3.** Where a person who is or agrees to become a member of a partnership makes a supply of property or a service to the partnership otherwise than in the course of the partnership's activities,

(1) where the property or service is acquired by the partnership for consumption, use or supply exclusively in the course of commercial activities of the partnership, any amount that the partnership agrees to pay to or credit the person in respect of the property or service is deemed to be consideration for the supply that becomes due at the time the amount is paid or credited;

(1.1) where management or administrative services are rendered by a general partner of an investment limited partnership to the investment limited partnership under an agreement for the particular supply of those services,

(a) if section 32.3 applies in respect of the particular supply, for each separate supply of those services that is deemed under paragraph 1 of section 32.3 to be made by the general partner for a billing period within the meaning of section 32.3, the separate supply is deemed, despite paragraph 3 of section 32.3, to be made for consideration that becomes due on the last day of the billing period equal to the fair market value of the services rendered under the agreement by the general partner to the investment limited partnership during the billing period, determined as if the general partner were not a member of the investment limited partnership and were dealing at arm's length with the investment limited partnership, and

(b) in any other case,

i. the general partner is deemed to have made, and the investment limited partnership is deemed to have received, a separate supply of those services for each reporting period of the general partner during which those services are, or are to be, rendered under the agreement, and

ii. each separate supply of those services that is deemed to be made under subparagraph i for a reporting period of the general partner is deemed to be made on the first day of the reporting period for consideration that becomes due on the last day of the reporting period equal to the fair market value of the services rendered under the agreement by the general partner to the investment limited partnership during the reporting period, determined as if the general partner were not a member of the investment limited partnership and were dealing at arm's length with the investment limited partnership; and

(2) in any other case, the supply is deemed to have been made for consideration that becomes due at the time the supply is made equal to the fair market value at that time of the property or service acquired by the

partnership determined as if the person were not a member of the partnership and were dealing at arm's length with the partnership.

1997, c. 85, s. 621; 2022, c. 23, s. 195.

**345.4.** Where a partnership disposes of property of the partnership to a person who, at the time the disposition is agreed to or otherwise arranged, is or has agreed to become a member of the partnership or to a person as a consequence of that person ceasing to be a member of the partnership,

(1) the partnership is deemed to have made to the person, and the person is deemed to have received from the partnership, a supply of the property for consideration that becomes due at the time the property is disposed of equal to the total fair market value of the property (including the fair market value of the person's interest in the property) immediately before that time; and

(2) section 286 does not apply in respect of the supply.

1997, c. 85, s. 621.

**345.5.** A partnership and each member or former member (each of which is referred to in this section as the "member") of the partnership, other than a member who is a limited partner and is not a general partner, are solidarily liable for

(1) the payment or remittance of all amounts that become payable or remittable by the partnership before or during the particular period during which the member is a member of the partnership or, where the member was a member of the partnership at the time the partnership was dissolved, after the dissolution of the partnership; and

(2) all other obligations under this Title that arose before or during the particular period for which the partnership is liable or, where the member was a member of the partnership at the time the partnership was dissolved, the obligations that arose upon or as a consequence of the dissolution.

Notwithstanding subparagraph 1 of the first paragraph,

(1) the member is liable for the payment or remittance of amounts that become payable or remittable before the particular period only to the extent of the value of the property and money of the partnership; and

(2) the payment or remittance by the partnership or by any member thereof of an amount in respect of the liability discharges the joint liability to the extent of that amount.

1997, c. 85, s. 621.

**345.6.** Where a partnership would, but for this section, be regarded as having ceased to exist, the partnership is deemed not to have ceased to exist until the registration of the partnership is cancelled.

1997, c. 85, s. 621.

**345.7.** A partnership is deemed to be a continuation of and the same person as a particular partnership where

(1) the particular partnership would, but for this section and sections 345.1 to 345.6, be regarded as having ceased at any time to exist;

(2) a majority of the members of the particular partnership that together had, at or immediately before that time, more than a 50% interest in the capital of the particular partnership become members of the partnership of which they comprise more than half of the members; and

(3) the members of the particular partnership who become members of the partnership transfer to the partnership all or substantially all of the property distributed to them in settlement of their capital interests in the particular partnership.

The first paragraph does not apply where the partnership is registered or applies for registration under Division I of Chapter VIII.

1997, c. 85, s. 621.

**345.8.** Where a general partner of an investment limited partnership renders a management or administrative service to the investment limited partnership, the following rules apply:

(1) the rendering of the service is deemed not to be done by the general partner as a member of the investment limited partnership; and

(2) the supply by the general partner to the investment limited partnership that includes the service is deemed to have been made otherwise than in the course of the investment limited partnership's activities.

2022, c. 23, s. 196.

**346.** Where a registrant (in this division referred to as an “operator”) is a participant in a joint venture, other than a partnership, under an agreement, evidenced in writing, with another person (in this division referred to as a “co-venturer”) for the exploration or exploitation of mineral deposits or for a prescribed activity, and the operator and the co-venturer jointly make an election under this section, the following rules apply:

(1) all properties and services that are, during the period the election is in effect, supplied, acquired or brought into Québec under the agreement by the operator on behalf of the co-venturer in the course of the activities for which the agreement was entered into are deemed to be supplied, acquired or brought into Québec, as the case may be, by the operator and not by the co-venturer;

(2) sections 41.0.1 to 41.6 do not apply in respect of a supply referred to in paragraph 1; and

(3) all supplies of property or services made, during the period the election is in effect, under the agreement by the operator to the co-venturer are deemed not to be supplies to the extent that the property or services are, but for this division, acquired by the co-venturer for consumption, use or supply in the course of commercial activities for which the agreement was entered into.

1991, c. 67, s. 346; 1994, c. 22, s. 553; 1995, c. 63, s. 420.

**346.1.** Paragraph 1 of section 346 does not apply to the acquisition or bringing into Québec of property or a service by an operator on behalf of a co-venturer, where the property or service is so acquired or brought into Québec for consumption, use or supply in the course of activities that are not commercial activities and the operator

(1) is a government other than a prescribed mandatary of the Gouvernement du Québec or a prescribed agent of Her Majesty in right of Canada for the purposes of the definition of “specified Crown agent” in subsection 1 of section 123 of the Excise Tax Act (R.S.C. 1985, c. E-15); or

(2) would not be required, because of a federal Act or an Act of the Legislature of Québec other than this Act, to pay tax in respect of the acquisition or bringing into Québec of the property or service if the operator acquired or brought into Québec the property or service for that purpose otherwise than on behalf of the co-venturer.

1994, c. 22, s. 554; 1995, c. 63, s. 421; 2015, c. 21, s. 692; 2021, c. 18, s. 187.

**346.2.** An operator and a co-venturer who have jointly made an election under this division may jointly revoke the election.

1994, c. 22, s. 554.

**346.3.** An election or revocation under this division shall be made in prescribed form containing prescribed information and shall specify the effective date of the election or revocation.

1994, c. 22, s. 554.

**346.4.** Where a registrant and another person make, or purport to make, an election under section 346, the registrant and the other person are solidarily liable for all obligations under this Title that result from the activities for which the agreement was entered into and that are or would be, but for this division, engaged in by the registrant on behalf of the other person.

1994, c. 22, s. 554; 1995, c. 63, s. 510; 1997, c. 85, s. 622.

**347.** Where an operator who is a participant in a joint venture, other than a partnership, under an agreement referred to in section 346 and entered into before 1 July 1992 with a co-venturer files a return for the operator's first reporting period beginning after 30 June 1992 in which all property and services supplied, acquired or brought into Québec by the operator on behalf of the co-venturer in the course of the activities for which the agreement was entered into were supplied, acquired or brought into Québec, as the case may be, by the operator and not by the co-venturer, the operator is deemed to have made an election jointly with the co-venturer in accordance with section 346.3.

This section applies as between an operator and a co-venturer, only where

(1) the operator sends a notice in writing to the co-venturer not later than 30 June 1992, of the operator's intention to file the return referred to in the first paragraph; and

(2) the co-venturer has not, on or before the day that is the earlier of 1 August 1992 and the day that is 30 days after receipt of the notice from the operator, advised the operator, in writing that all property and services supplied, acquired or brought into Québec under the agreement by the operator on the co-venturer's behalf in the course of the activities for which the agreement was entered into are not to be treated as having been supplied, acquired or brought into Québec by the operator.

1991, c. 67, s. 347; 1994, c. 22, s. 555.

**348.** For the purposes of this division, where a particular person has made an election under this division with respect to a joint venture and at any time during the period the election is in effect another person becomes a participant in the venture by acquiring an interest in it from the particular person, the other person is deemed to have made, at that time, an election in accordance with section 346.3 with respect to the venture jointly with the operator of the venture.

1991, c. 67, s. 348; 1994, c. 22, s. 555.

## **DIVISION XIV**

### **FINANCIAL INSTITUTION**

2012, c. 28, s. 109.

§ 1. — *Rules of application in cases of business mergers, amalgamations or acquisitions*

2012, c. 28, s. 110.

**349.** Where at any time two or more corporations are merged or amalgamated to form one corporation (in this section referred to as the "new corporation") and the principal business of the new corporation

immediately after that time is the same as or similar to the business of one or more of the merged or amalgamated corporations that immediately before that time was a financial institution, the new corporation is a financial institution throughout the taxation year of the new corporation that began at that time.

1991, c. 67, s. 349; 2012, c. 28, s. 111.

**350.** Where a particular person, at any time in a taxation year of the particular person, acquires a business as a going concern from another person who was immediately before that time a financial institution, and immediately after that time the principal business of the particular person is the business so acquired, the particular person is a financial institution throughout the part of that taxation year that follows the acquisition.

1991, c. 67, s. 350; 2012, c. 28, s. 111.

## § 2. — *Information return*

2012, c. 28, s. 112.

### **350.0.1.** In this subdivision,

“actual amount” means any amount that is required to be reported in an information return that a person is required to file under section 350.0.3 for a fiscal year of the person and that is

- (1) a tax amount for the fiscal year or a previous fiscal year of the person; or
- (2) an amount calculated using only tax amounts for the fiscal year or a previous fiscal year of the person, unless all of those tax amounts are required to be reported in the information return;

“tax amount” for a fiscal year of a person means an amount that

- (1) is tax paid or payable under any of sections 17 and 18 to 18.0.1.2, or is tax that is deemed under this Title to have been paid or become payable, by the person at any time during the fiscal year;
- (2) became collectible or was collected, or is deemed under this Title to have become collectible or to have been collected, by the person as or on account of tax under this Title in a reporting period of the person in the fiscal year;
- (3) is an input tax refund for a reporting period of the person in the fiscal year;
- (4) is an amount that is required to be added or that may be deducted in determining net tax for a reporting period of the person in the fiscal year; or
- (5) is required under this Title to be used in determining any amount described in paragraph 2 or 4, other than an amount that is consideration for a supply, an amount that is the value of a property or a service, or a percentage.

2012, c. 28, s. 112; 2022, c. 23, s. 197.

**350.0.2.** In this subdivision, a person, other than a prescribed person or a person of a prescribed class, is a reporting institution throughout a fiscal year of the person if

- (1) the person is a financial institution at any time in the fiscal year;
- (2) the person is a registrant at any time in the fiscal year; and
- (3) the total of all amounts each of which is an amount included in computing, for the purposes of the Income Tax Act (R.S.C. 1985, c. 1, (5th Suppl.)), the person’s income, or, if the person is an individual, the person’s income from a business for the purposes of that Act, for the last taxation year of the person that ends in the fiscal year, exceeds the amount determined by the formula

$$\$2,000,000 \times A/365.$$

For the purposes of the formula in subparagraph 3 of the first paragraph, A is the number of days in the taxation year.

2012, c. 28, s. 112; 2015, c. 21, s. 693; 2025, c. 27, s. 176.

**350.0.3.** A reporting institution shall file an information return with the Minister for a fiscal year of the reporting institution in the prescribed form containing prescribed information on or before the day that is six months after the end of the fiscal year.

2012, c. 28, s. 112; 2022, c. 23, s. 198.

**350.0.4.** Every reporting institution that is required to report, in the information return it is required to file in accordance with section 350.0.3, an amount (other than an actual amount) that is not reasonably ascertainable on or before the day on which the information return is required to be filed under that section shall provide a reasonable estimate of the amount in the information return.

2012, c. 28, s. 112.

**350.0.5.** The Minister may exempt any reporting institution or class of reporting institutions from the requirement, under section 350.0.3, to provide any prescribed information or may allow any reporting institution or class of reporting institutions to provide a reasonable estimate of any actual amount that is required to be reported in an information return in accordance with that section.

2012, c. 28, s. 112.

## **DIVISION XV**

### **COUPONS, DISCOUNTS AND GIFT CERTIFICATES**

1994, c. 22, s. 556.

**350.1.** For the purposes of this section and sections 350.2 to 350.5,

“coupon” includes a ticket, receipt or other device but does not include a gift certificate or a barter unit within the meaning of section 350.7.1;

“tax fraction” of a coupon value or of the discount or exchange value of a coupon means  $9.975/109.975$ .

1994, c. 22, s. 556; 1997, c. 85, s. 623; 2001, c. 53, s. 334; 2010, c. 5, s. 225; 2011, c. 6, s. 263; 2012, c. 28, s. 113.

**350.2.** Where at any time a registrant accepts, in full or partial consideration for a taxable supply of property or a service, other than a zero-rated supply, a coupon that entitles the recipient of the supply to a reduction of the price of the property or service equal to a fixed dollar amount specified in the coupon (in this section referred to as the “coupon value”) and the registrant can reasonably expect to be paid an amount for the redemption of the coupon by another person, the following rules apply, except in respect of section 425:

(1) the tax collectible by the registrant in respect of the supply is deemed to be the tax that would be collectible if the coupon were not accepted;

(2) the registrant is deemed to have collected, at that time, a portion of the tax collectible equal to the tax fraction of the coupon value; and

(3) the tax payable by the recipient in respect of the supply is deemed to be the amount determined by the formula



A – B.

For the purposes of this formula,

- (1) A is the tax collectible by the registrant in respect of the supply; and
- (2) B is the tax fraction of the coupon value.

1994, c. 22, s. 556; 1995, c. 1, s. 295.

**350.3.** Where at any time a registrant accepts, in full or partial consideration for a taxable supply of property or a service, other than a zero-rated supply, a coupon that entitles the recipient of the supply to a reduction of the price of the property or service equal to a fixed dollar amount specified in the coupon or a fixed percentage, specified in the coupon (the amount of which reduction is, in each case, referred to in this section as the “coupon value”) and the registrant can reasonably expect not to be paid an amount for the redemption of the coupon by another person,

- (1) the registrant shall treat the coupon

(a) as reducing the value of the consideration for the supply as provided for in section 350.4, where subsection 4 of section 181 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) applies to the coupon, or

- (b) as a partial cash payment that does not reduce the value of the consideration for the supply; and

(2) where the registrant treats the coupon as a partial cash payment that does not reduce the value of the consideration for the supply, subparagraphs 1 to 3 of the first paragraph of section 350.2 apply in respect of the supply and the coupon and the registrant may claim an input tax refund for the reporting period of the registrant that includes that time equal to the tax fraction of the coupon value.

1994, c. 22, s. 556; 1995, c. 1, s. 296; 1997, c. 85, s. 624.

**350.4.** If a registrant accepts, in full or partial consideration for a supply of property or a service, a coupon that may be exchanged for the property or service or that entitles the recipient of the supply to a reduction of the price of the property or service and subparagraphs 1 to 3 of the first paragraph of section 350.2 do not apply in respect of the coupon, the value of the consideration for the supply is deemed to be the amount by which the value of the consideration for the supply as otherwise determined exceeds the discount or exchange value of the coupon.

1994, c. 22, s. 556; 2001, c. 53, s. 335.

**350.5.** Where a supplier who is a registrant, in full or partial consideration for a taxable supply of property or a service, accepts a coupon that may be exchanged for the property or service or that entitles the recipient of the supply to a reduction of the price of the property or service, and a particular person at any time pays, in the course of a commercial activity of the particular person, an amount to the supplier for the redemption of the coupon, the following rules apply:

- (1) the amount is deemed not to be consideration for a supply;
  - (1.1) the payment and receipt of the amount are deemed not to be a financial service; and

(2) if the supply is not a zero-rated supply and the coupon entitled the recipient to a reduction of the price of the property or service equal to a fixed dollar amount specified in the coupon (in this section referred to as the “coupon value”), the particular person, if a registrant at the time of the payment, may claim an input tax

refund for the reporting period of the particular person that includes that time equal to the tax fraction of the coupon value.

Subparagraph 2 of the first paragraph does not apply where all or part of the coupon value is an amount of an adjustment, refund or credit to which section 449 applies or where the particular person is, at the time of the payment, a prescribed registrant referred to in section 279.

1994, c. 22, s. 556; 1995, c. 1, s. 297; 1997, c. 85, s. 625; 2001, c. 53, s. 336; 2015, c. 21, s. 694.

**350.6.** Where a registrant makes a taxable supply in Québec of property or a service, other than a zero-rated supply that is not a zero-rated supply under section 197.2, that a particular person acquires either from the registrant or from another person, and the registrant pays at any time to the particular person a rebate in respect of the property or service to which section 449 does not apply, and therewith provides written indication that a portion of the rebate is an amount on account of tax, the following rules apply:

(1) the registrant may claim an input tax refund for the reporting period of the registrant that includes that time equal to the amount obtained when  $9.975/109.975$  (in this section referred to as the “tax fraction in respect of the rebate”) is multiplied by the amount of the rebate;

(2) where the particular person is a registrant who was entitled to claim an input tax refund, or a rebate under Division I of Chapter VII, in respect of the acquisition of the property or service, the particular person is deemed

(a) to have made a taxable supply, and

(b) to have collected, at that time, tax in respect of the supply equal to the amount determined by the formula

$$A \times (B/C) \times D.$$

For the purposes of this formula,

(1) A is the tax fraction in respect of the rebate;

(2) B is the input tax refund, or the rebate under Division I of Chapter VII, that the particular person was entitled to claim in respect of the acquisition of the property or service;

(3) C is the tax payable by the particular person in respect of the acquisition of the property or service; and

(4) D is the amount of the rebate paid to the particular person by the supplier.

1994, c. 22, s. 556; 1995, c. 1, s. 298; 1995, c. 63, s. 422; 1997, c. 85, s. 626; 2001, c. 51, s. 279; 2010, c. 5, s. 226; 2011, c. 6, s. 264; 2012, c. 28, s. 114.

**350.7.** The issuance or sale of a gift certificate for consideration is deemed not to be a supply.

In addition, when given as consideration for a supply of property or a service, the gift certificate is deemed to be money.

1994, c. 22, s. 556.

## **DIVISION XV.1**

### **BARTER EXCHANGE NETWORK**

2001, c. 53, s. 337.

#### **350.7.1.** In this division,

“administrator” of a barter exchange network means the person who is responsible for administering, maintaining or operating a system of accounts, to which barter units may be credited, of members of the network;

“barter exchange network” means a group of persons each member of which has agreed in writing to accept as full or partial consideration for the supply of property or services by that particular member to any other member of that group one or more credits (in this division referred to as “barter units”) on an account of the particular member maintained or operated by a single administrator of all such accounts of the members, which credits can be used as full or partial consideration for the supply of property or services between members of that group.

2001, c. 53, s. 337.

#### **350.7.2.** The administrator of a barter exchange network may make an application to the Minister, in prescribed form containing prescribed information and filed in prescribed manner, to have the network designated for the purposes of section 350.7.5.

2001, c. 53, s. 337.

#### **350.7.3.** On receipt of an application by an administrator of a barter exchange network under section 350.7.2, the Minister may designate the barter exchange network for the purposes of section 350.7.5, in which case the Minister shall notify the administrator in writing of the designation and its effective date.

2001, c. 53, s. 337.

#### **350.7.4.** On receipt of a notification by the Minister of a designation of a barter exchange network, the administrator of the network shall, within a reasonable time, notify each member of the network in writing of the designation and its effective date.

2001, c. 53, s. 337.

#### **350.7.5.** If a member of a barter exchange network or the administrator of a barter exchange network gives, while a designation of the network under section 350.7.3 is in effect, property, a service or money in exchange for a barter unit, the value of that property, service or money as consideration for the barter unit is, notwithstanding section 55, deemed to be nil.

2001, c. 53, s. 337.

#### **350.7.6.** Each of the following is deemed not to be a financial service:

- (1) the operation, maintenance or administration of a system of accounts, to which barter units can be credited, of members of a barter exchange network;
- (2) the crediting of a barter unit to such an account;
- (3) the supply, receipt or redemption of a barter unit; and
- (4) the agreeing to provide, or the arranging for, any service referred to in paragraphs 1 to 3.

2001, c. 53, s. 337.

## **DIVISION XVI**

### **GAMES OF CHANCE**

1994, c. 22, s. 556.

**350.8.** For the purposes of this division,

“distributor” of an issuer means a person who

- (1) as mandatary of the issuer, supplies a right of the issuer on behalf of the issuer;
- (2) on the person’s own behalf supplies a right of the issuer;
- (3) accepts, on behalf of the issuer, a bet on a game of chance conducted by the issuer; or
- (4) makes a specified gaming machine supply to the issuer;

“gaming machine” means a machine by the operation of which by a person, the person plays a game of chance in which the element of chance is provided by means of the machine, but does not include a machine that dispenses a ticket, token or other device evidencing the right to play or participate in, or receive a prize or winnings in, one or more games of chance unless the device is, for each of those games, sufficient evidence, and in the case of a printed device, contains sufficient information, to ascertain whether the holder of the device is entitled to receive a prize or winnings without reference to any other information;

“issuer” means a registrant who is a prescribed registrant referred to in section 279;

“right” of an issuer means a right to play or participate in a game of chance conducted by the issuer;

“specified gaming machine supply” means a supply in respect of a gaming machine made to an issuer if

- (1) the supply is

(a) of the machine, or a site at which the machine is operated, made by way of lease, licence or similar arrangement, or

(b) of a service of repairing or maintaining the machine, performing functions necessary to ensure its proper operation or awarding, paying or delivering prizes won in the game of chance played by its operation; and

- (2) under the agreement for the supply, all or part of the consideration for the supply is determined as a percentage of the proceeds of the issuer from conducting those games.

1994, c. 22, s. 556; 2001, c. 53, s. 338.

**350.9.** Where an issuer makes a supply of a right of the issuer to a distributor of the issuer,

- (1) in the case of a taxable supply, tax is deemed not to be payable by the distributor in respect of the supply; and

- (2) the distributor is not entitled to any rebate under sections 400 to 402.0.2 in respect of the supply.

1994, c. 22, s. 556.

**350.10.** Where a particular distributor of an issuer makes a supply of a right of the issuer,

- (1) if the recipient of the supply is another distributor of the issuer, the supply is deemed, except for the purposes of this division, not to have been made by the particular distributor and not to have been received by the other distributor;

- (2) if the recipient of the supply is the issuer, the supply is deemed, except for the purposes of this division, not to have been made by the particular distributor; and

- (3) if the recipient of the supply is any other person,
  - (a) the supply is deemed to be a supply made by the issuer and not by the particular distributor, and
  - (b) any tax in respect of the supply that is collected by the particular distributor is deemed to have been collected by the issuer and not by the particular distributor.

1994, c. 22, s. 556.

**350.11.** The following supplies are deemed not to be supplies:

- (1) supplies made to an issuer by a distributor of the issuer of a service in respect of
  - (a) the supply of rights of the issuer,
  - (b) the awarding, payment or delivery of prizes won in games of chance conducted by the issuer, or
  - (c) the maintenance and repair of equipment used by the distributor in the supplying of rights of the issuer; and
- (1.1) supplies made to an issuer by a distributor of the issuer of a service in respect of the acceptance, on behalf of the issuer, of bets on games of chance conducted by the issuer, including supplies of a service of managing, administering and carrying on the day-to-day operations of the issuer's gaming activities that are connected with a casino of the issuer;

(1.2) specified gaming machine supplies made to an issuer by a distributor of the issuer; and

- (2) supplies made by an issuer to a distributor of the issuer of a service in respect of
  - (a) the supply of rights of the issuer, or
  - (b) the awarding, payment or delivery of prizes won in games of chance conducted by the issuer.

1994, c. 22, s. 556; 2001, c. 53, s. 339.

**350.12.** The following are deemed not to be consideration for a supply:

- (1) promotional bonuses and prizes given by an issuer to a distributor of the issuer for or in respect of the supply by the distributor of rights of the issuer; and
- (2) amounts paid to an issuer by a distributor of the issuer for or on account of damage to property of the issuer.

1994, c. 22, s. 556.

## **DIVISION XVI.1**

### **CRYPTOASSETS**

2024, c. 41, s. 207.

**350.12.1.** For the purposes of this division,

“cryptoasset” means property (other than prescribed property) that is a digital representation of value and that only exists at a digital address of a publicly distributed ledger;

“mining activity” means an activity of

(1) validating transactions in respect of a cryptoasset and adding them to a publicly distributed ledger on which the cryptoasset exists at a digital address;

(2) maintaining and permitting access to a publicly distributed ledger on which a cryptoasset exists at a digital address; or

(3) allowing computing resources to be used for the purpose of, or in connection with, performing activities described in paragraph 1 or 2 in respect of a cryptoasset;

“mining group” means a group of persons that, under an agreement,

(1) pool property or services for the performance of mining activities; and

(2) share mining payments in respect of the mining activities among members of the group;

“mining group operator”, in respect of a mining group, means a person that coordinates, oversees or manages the mining activities of the mining group;

“mining payment”, in respect of a mining activity, means money, property or a service that is a fee, reward or other form of payment and that is received or generated as a consequence of the mining activity being performed.

2024, c. 41, s. 207.

**350.12.2.** For the purposes of this Title, to the extent that a person acquires or brings into Québec property or a service for consumption, use or supply in the course of, or in connection with, mining activities, the person is deemed to have acquired or brought into Québec the property or service for consumption, use or supply otherwise than in the course of the person’s commercial activities.

2024, c. 41, s. 207.

**350.12.3.** For the purposes of this Title, where a person consumes, uses or supplies property or a service in the course of, or in connection with, mining activities, that consumption, use or supply is deemed to be otherwise than in the course of the person’s commercial activities.

2024, c. 41, s. 207.

**350.12.4.** For the purposes of this Title, where a person receives a mining payment in respect of a mining activity, the following rules apply:

(1) the provision of the mining activity is deemed not to be a supply;

(2) the provision of the mining payment is deemed not to be a supply; and

(3) in determining an input tax refund of another person that provides the mining payment, no amount is to be included in respect of tax that becomes payable, or is paid without having become payable, by the other person in respect of property or a service acquired or brought into Québec for consumption, use or supply in the course of, or in connection with, the provision of the mining payment by the other person.

2024, c. 41, s. 207.

**350.12.5.** Sections 350.12.2 to 350.12.4 do not apply in respect of a mining activity to the extent that the mining activity is performed by a particular person for another person if

(1) the identity of the other person is known to the particular person;

(2) where the mining activity is in respect of a mining group that includes the particular person, the other person is not a mining group operator in respect of the mining group; and

(3) where the other person is not resident in Canada and is not dealing at arm’s length with the particular person, each property or service—being property or a service that is received by the other person from the

particular person as a consequence of the performance of the mining activity—is supplied, or is used or consumed in the course of making a supply, by the other person to one or more persons each of which

(a) is a person whose identity is known to the other person,

(b) deals at arm's length with the other person, and

(c) is not a mining group operator in respect of a mining group that includes the other person if the mining activity is in respect of that mining group.

2024, c. 41, s. 207.

## **DIVISION XVII**

### **BUYING GROUPS**

1994, c. 22, s. 556.

**350.13.** For the purposes of this division,

“original supplier” of corporeal movable property or a service means a person who makes a taxable supply of the property or service to another person who, in turn, supplies the property or service by way of a pass-through supply;

“pass-through supply” means a taxable supply of corporeal movable property or a service made by a person for consideration that is equal to the consideration paid or payable by the person to the supplier who supplied the property or service to the person;

“ultimate recipient” means a recipient of a pass-through supply.

1994, c. 22, s. 556; 1995, c. 63, s. 423.

**350.14.** A particular person may apply to the Minister, in prescribed form containing prescribed information and filed with and as prescribed by the Minister, to be designated as a buyer where

(1) all or substantially all of the supplies of property and services made by the particular person in the ordinary course of the particular person's business are pass-through supplies;

(2) in respect of each pass-through supply of corporeal movable property or a service made by the particular person, the original supplier of the property or service causes physical possession of the property to be transferred to, or renders the service to, the ultimate recipient, or to another person on behalf of the ultimate recipient, and not to the particular person; and

(3) in respect of each pass-through supply of corporeal movable property or a service made by the particular person, the ultimate recipient pays, on behalf of the particular person, to the original supplier of the property or service, the amount payable by the particular person to the original supplier as consideration for the property or service.

1994, c. 22, s. 556.

**350.15.** Where the Minister receives an application of a person under section 350.14, the Minister may, subject to such conditions as the Minister may at any time impose, designate the person as a buyer and notify the person in writing of the designation and the day it becomes effective.

1994, c. 22, s. 556.

**350.16.** The Minister may revoke a designation of a person made under section 350.15 on application of the person, or where the person fails to comply with any condition imposed in respect of the designation.

Where the designation is revoked, the Minister shall notify the person in writing of the day the designation ceases to be effective.

1994, c. 22, s. 556.

**350.17.** Where a person makes a pass-through supply of corporeal movable property or a service at a time when a designation of the person as a buyer under section 350.15 is in effect, except for the purposes of sections 294, 295 and 297, Division IV of Chapter VIII and this division, the following rules apply:

(1) the supply of the property or service by the original supplier of the property or service is deemed to have been made to the ultimate recipient and not to the person;

(2) the person is deemed not to have received a supply of the property or service from the original supplier nor to have supplied the property or service to the ultimate recipient;

(3) the consideration payable for, and the tax payable in respect of, the supply by the original supplier of the property or service is deemed to be payable by the ultimate recipient and any amount paid in respect of the consideration or tax is deemed to have been paid by the ultimate recipient;

(4) notwithstanding subparagraph 3, the person and the ultimate recipient are solidarily liable for the payment of the tax in respect of the supply made by the original supplier; and

(5) if the amount charged or collected by the original supplier of the property or service as or on account of tax under section 16 in respect of the supply exceeds the tax that was collectible under that section in respect of the supply, or if the amount of tax collectible under that section in respect of the supply is reduced because of a reduction in the consideration for the supply, and the original supplier issues to, or receives from, the person a credit note or a debit note in respect of the supply, the person is deemed to have received or issued the note on behalf of the ultimate recipient.

1994, c. 22, s. 556; 1995, c. 63, s. 424, s. 510.

## **DIVISION XVII.1**

### **DESIGNATED CHARITIES**

2001, c. 53, s. 340.

**350.17.1.** For the purposes of this division, “specified service” means any service, other than a service

(1) that is

(a) the care, employment or training for employment of individuals with disabilities,

(b) an employment placement service rendered to individuals with disabilities, or

(c) the provision of instruction to assist individuals with disabilities in securing employment; and

(2) the recipient of which is a public sector body or a board, commission or other body established by a government or a municipality.

2001, c. 53, s. 340.

**350.17.2.** A charity may apply to the Minister, in prescribed form containing prescribed information, to be designated for the purposes of paragraph 4.1 of section 138.1 if

(1) one of the main purposes of the charity is the provision of employment, training for employment or employment placement services for individuals with disabilities or the provision of instructional services to assist such individuals in securing employment; and



(2) the charity supplies, on a regular basis, specified services that are performed, in whole or in part, by individuals with disabilities.

2001, c. 53, s. 340.

**350.17.3.** On application by a charity under section 350.17.2, the Minister may, by notice in writing, designate the charity for the purposes of paragraph 4.1 of section 138.1, effective on the first day of a reporting period specified in the notice, if the Minister is satisfied that the conditions described in section 350.17.2 are met and a revocation under section 350.17.4 pursuant to a request made by the charity has not become effective in the 365-day period ending immediately before that day.

2001, c. 53, s. 340.

**350.17.4.** The Minister may, by notice in writing, revoke a designation of a charity, effective on the first day of a reporting period specified in the notice, if the Minister is satisfied that the conditions described in section 350.17.2 are no longer met, or the charity makes a request in writing to the Minister that the designation be revoked and the designation had not become effective in the 365-day period ending immediately before that day.

2001, c. 53, s. 340.

## **DIVISION XVIII**

*Repealed, 2005, c. 1, s. 356.*

1994, c. 22, s. 556; 2005, c. 1, s. 356.

**350.18.** *(Repealed).*

1994, c. 22, s. 556; 1997, c. 3, s. 124; 2005, c. 1, s. 356.

**350.19.** *(Repealed).*

1994, c. 22, s. 556; 1995, c. 63, s. 425; 2005, c. 1, s. 356.

**350.20.** *(Repealed).*

1994, c. 22, s. 556; 2005, c. 1, s. 356.

**350.21.** *(Repealed).*

1994, c. 22, s. 556; 1997, c. 3, s. 125; 2005, c. 1, s. 356.

**350.22.** *(Repealed).*

1994, c. 22, s. 556; 1997, c. 3, s. 126; 2005, c. 1, s. 356.

**350.23.** *(Repealed).*

1994, c. 22, s. 556; 1997, c. 3, s. 127; 2005, c. 1, s. 356.

## **DIVISION XVIII.1**

### **SHIPPING DISTRIBUTION CENTRE**

2003, c. 2, s. 335.

**350.23.1.** For the purposes of this division,

“added property” that is in the possession of a person means corporeal movable property or software that the person incorporates into, attaches to, combines or assembles with, or uses to pack, other property that is not property of the person held otherwise than for sale by the person;

“base value” of property that a person brings into Québec or obtains physical possession of in Québec means

(1) if the person brings the property into Québec, the value of the property within the meaning of the second paragraph of section 17, or within the meaning that would be assigned by that paragraph but for the third paragraph of that section; and

(2) in any other case, the fair market value of the property at the time the person obtains physical possession of it in Québec;

“basic service” means any of the following services performed at any time in respect of goods, to the extent that, if the goods were held in a bonded warehouse at that time, it would be feasible, given the stage of processing of the goods at that time, to perform that service in the bonded warehouse and it would be permissible to do so according to the Customs Bonded Warehouses Regulations made under the Customs Tariff (S.C. 1997, c. 36):

(1) disassembling or reassembling, if the goods have been assembled or disassembled for packing, handling or transportation purposes;

(2) displaying;

(3) inspecting;

(4) labelling;

(5) packing;

(6) removing, for the sole purpose of soliciting orders for goods or services, a small quantity of material, or a portion, a piece or an individual object, that represents the goods;

(7) storing;

(8) testing; or

(9) any of the following that do not materially alter the characteristics of the goods:

(a) cleaning,

(b) complying with any applicable law of Canada or of Québec,

(c) diluting,

(d) normal maintenance and servicing,

(e) preserving,

(f) separating defective goods from prime quality goods,

(g) sorting or grading, and

(h) trimming, filing, slitting or cutting;

“customer’s good” in respect of a particular person means corporeal movable property of another person that the particular person brings into Québec, or obtains physical possession of in Québec, for the purpose of supplying a service or added property in respect of the corporeal movable property;

“domestic inventory” of a person means corporeal movable property that the person acquires in Québec or brings into Québec, for the purpose of selling the property separately for consideration in the ordinary course of a business carried on by the person;

“finished inventory” of a person means property of the person, other than capital property of the person, that is in the state at which it is intended to be sold by the person, or to be used by the person as added property, in the course of a business carried on by the person;

“labelling” includes marking, tagging and ticketing;

“packing” includes unpacking, repacking, packaging and repackaging;

“processing” includes adjusting, altering, assembling and a basic service;

“shipping revenue” of a particular person for a fiscal year means the total of all amounts each of which is consideration, included in determining the specified total revenue of the person for the fiscal year, for

(1) a supply by way of sale of an item of domestic inventory of the person that is made outside Québec or referred to in Division V of Chapter IV, other than a supply referred to in any of sections 180.1, 181, 189, 191.2 and 191.3.1;

(2) a supply by way of sale of added property acquired by the person for the purpose of processing in Québec property where that property, or the product resulting from that processing, as the case may be, is shipped outside Québec, after that processing is complete, without being consumed, used, transformed or further processed, manufactured or produced in Québec by another person except to the extent reasonably necessary or incidental to the transportation of that property or that product; or

(3) a supply of a service of processing, storing or distributing corporeal movable property of another person if the property, or all the products resulting from that processing, as the case may be, are shipped outside Québec, after the processing in Québec, if any, by the particular person is complete, without being consumed, used, transformed or further processed, manufactured or produced in Québec by any other person except to the extent reasonably necessary or incidental to the transportation of that property or those products;

“shipping revenue percentage” of a person for a fiscal year means the proportion expressed as a percentage that the person’s shipping revenue for the fiscal year is of the person’s specified total revenue for the fiscal year;

“specified total revenue” of a person for a fiscal year means the total of all amounts each of which is consideration, included in determining the income from a business of the person for the fiscal year, for a supply made by the person, or that would be made by the person but for any provision of this Title that deems the supply to be made by another person, other than

(1) a supply of a service in respect of property that the person neither brings into Québec nor obtains physical possession of in Québec for the purpose of providing the service;

(2) a supply by way of sale of property that the person acquired for the purpose of selling it, or selling other property to which the property has been added or with which the property has been combined, for consideration but that is neither acquired in Québec nor brought into Québec by the person;

(3) a supply by way of sale of added property that the person acquired for the purpose of processing corporeal movable property that the person neither brings into Québec nor obtains physical possession of in Québec; and

(4) a supply by way of sale of capital property of the person;

“substantial alteration of property” by a person, in a fiscal year of the person, means

(1) manufacturing or producing, or engaging another person to manufacture or produce, property other than capital property of the person at any time in the fiscal year in the course of a business carried on by the person; or

(2) any processing undertaken by or for the person during the fiscal year to bring property of the person to a state at which the property or the product of that processing is finished inventory of the person, if

(a) the person’s percentage value added attributable to non-basic services in respect of finished inventory of the person for the fiscal year exceeds 10%, and

(b) the person's percentage total value added in respect of finished inventory of the person for the fiscal year exceeds 20%.

2003, c. 2, s. 335; 2015, c. 21, s. 695; I.N. 2020-10-20.

**350.23.2.** A person's percentage value added attributable to non-basic services in respect of finished inventory of the person for a fiscal year of the person is the amount, expressed as a percentage, determined by the formula

$A / B$ .

For the purposes of the formula,

(1) A is the total of all amounts each of which is

(a) part of the total cost to the person of all property that was finished inventory of the person supplied, or used as added property, by the person during the fiscal year, and

(b) reasonably attributable to

i. salary, wages or other remuneration paid or payable to employees of the person, excluding any amounts that are reasonably attributable to the performance of basic services, or

ii. consideration paid or payable by the person to engage other persons to perform processing, excluding any portion of such consideration that is reasonably attributed by the other persons to corporeal movable property supplied in connection with that processing or that is reasonably attributable to the performance of basic services; and

(2) B is the total cost to the person of the property.

2003, c. 2, s. 335.

**350.23.3.** A person's percentage total value added in respect of finished inventory of the person for a fiscal year of the person is the amount expressed as a percentage that would be determined for the fiscal year by the formula in section 350.23.2 if the total determined under subparagraph 1 of the second paragraph of that section did not exclude any amounts that are reasonably attributable to the performance of basic services.

2003, c. 2, s. 335.

**350.23.4.** A person's percentage value added attributable to non-basic services in respect of customers' goods for a fiscal year of the person is the amount, expressed as a percentage, determined by the formula

$A / (A + B)$ .

For the purposes of the formula,

(1) A is the total of all consideration, included in determining the income from a business of the person for the fiscal year, for supplies of services, or of added property, in respect of customers' goods, other than the portion of such consideration that is reasonably attributable to the performance of basic services or to the provision of added property used in the performance of basic services; and

- (2) B is the total of the base values of the customers' goods.

2003, c. 2, s. 335.

**350.23.5.** A person's percentage total value added in respect of customers' goods for a fiscal year of the person is the amount expressed as a percentage that would be determined for the fiscal year by the formula in section 350.23.4 if the total determined under subparagraph 1 of the second paragraph of that section did not exclude any amounts that are reasonably attributable to the performance of basic services or the provision of added property used in the performance of basic services.

2003, c. 2, s. 335.

**350.23.6.** For the purpose of determining a particular person's shipping revenue percentage or an amount under any of sections 350.23.2 to 350.23.5 in respect of finished inventory of a particular person or customers' goods in respect of a particular person, the following rules apply if a supply between the particular person and another person with whom the particular person is not dealing at arm's length is made for no consideration or for less than fair market value and any consideration for the supply would be included in determining the income from a business of the particular person for a year:

- (1) the supply is deemed to have been made for consideration equal to fair market value; and
- (2) that consideration is deemed to be included in determining that income.

2003, c. 2, s. 335.

**350.23.7.** The Minister may, on the application of a person who is registered under Division I of Chapter VIII and who is engaged exclusively in commercial activities, authorize the person to use, beginning on a day in a fiscal year of the person and subject to such conditions as the Minister may from time to time specify, a certificate (in this division referred to as a "shipping distribution centre certificate") for the purposes of section 179.2, if it can reasonably be expected that

- (1) the person will not engage in the substantial alteration of property in the fiscal year;
- (2) either the person's percentage value added attributable to non-basic services in respect of customers' goods for the fiscal year will not exceed 10% or the person's percentage total value added in respect of customers' goods for the fiscal year will not exceed 20%; and
- (3) the person's shipping revenue percentage for the fiscal year will be at least 90%.

2003, c. 2, s. 335.

**350.23.8.** An application for an authorization to use a shipping distribution centre certificate shall be made in prescribed form containing prescribed information and be filed with the Minister in prescribed manner.

2003, c. 2, s. 335.

**350.23.9.** Where the Minister authorizes a person to use a shipping distribution centre certificate, the Minister shall notify the person in writing of the authorization, its effective date and its expiry date and the number assigned by the Minister that identifies the person or the authorization and that must be disclosed by the person when providing the certificate for the purposes of section 179.2.

2003, c. 2, s. 335.

**350.23.10.** The Minister may revoke an authorization granted to a person under section 350.23.7, effective on a day in a fiscal year of the person (in this section referred to as the "fiscal year of the revocation"), if

(1) the person fails to comply with any condition attached to the authorization or with any provision of this Title;

(2) it can reasonably be expected that

(a) one or both of the conditions described in paragraphs 1 and 2 of section 350.23.7 would not be met if the fiscal year referred to in those paragraphs were the fiscal year of the revocation, or

(b) the person's shipping revenue percentage for the fiscal year of the revocation will be less than 80%; or

(3) the person has requested in writing that the authorization be revoked as of that day.

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2003, c. 2, s. 335.

**350.23.11.** Subject to section 350.23.10, an authorization granted to a person under section 350.23.7 is deemed to have been revoked effective on the day after the last day of a fiscal year of the person, if

(1) the person engaged in the substantial alteration of property in that fiscal year;

(2) the person's percentage value added attributable to non-basic services in respect of customers' goods for the fiscal year exceeds 10% and the person's percentage total value added in respect of customers' goods for the fiscal year exceeds 20%; or

(3) the person's shipping revenue percentage for the fiscal year is less than 80%.

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2003, c. 2, s. 335.

**350.23.12.** An authorization granted under section 350.23.7 to a person ceases to have effect immediately before the earlier of

(1) the day on which a revocation of the authorization becomes effective; and

(2) the day that is three years after the day on which the authorization became effective.

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2003, c. 2, s. 335.

**350.23.13.** The Minister may not grant to a person, if an authorization granted to the person under section 350.23.7 is revoked effective on a day, another authorization under that section that becomes effective before,

(1) if the authorization was revoked in circumstances described in paragraph 1 of section 350.23.10, the day that is two years after the day of the revocation; and

(2) in any other case, the first day of the second fiscal year of the person that begins after the day of the revocation.

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2003, c. 2, s. 335.

## DIVISION XIX

*Repealed, 2009, c. 5, s. 631.*

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1994, c. 22, s. 556; 2009, c. 5, s. 631.

§ 1. —

*Repealed, 2009, c. 5, s. 631.*

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1994, c. 22, s. 556; 2009, c. 5, s. 631.

### **350.24.** *(Repealed).*

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1994, c. 22, s. 556; 1995, c. 63, s. 426; 2009, c. 5, s. 631.

### **350.25.** *(Repealed).*

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1994, c. 22, s. 556; 1995, c. 1, s. 299; 2009, c. 5, s. 631.

§ 2. —

*Repealed, 2009, c. 5, s. 631.*

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1994, c. 22, s. 556; 2009, c. 5, s. 631.

### **350.26.** *(Repealed).*

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1994, c. 22, s. 556; 2009, c. 5, s. 631.

### **350.27.** *(Repealed).*

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1994, c. 22, s. 556; 2009, c. 5, s. 631.

### **350.28.** *(Repealed).*

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1994, c. 22, s. 556; 1995, c. 63, s. 427; 2009, c. 5, s. 631.

§ 3. —

*Repealed, 1995, c. 63, s. 428.*

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1994, c. 22, s. 556; 1995, c. 63, s. 428.

### **350.29.** *(Repealed).*

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1994, c. 22, s. 556; 1995, c. 63, s. 428.

### **350.30.** *(Repealed).*

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1994, c. 22, s. 556; 1995, c. 63, s. 428.

### **350.31.** *(Repealed).*

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1994, c. 22, s. 556; 1995, c. 63, s. 428.

### **350.32.** *(Repealed).*

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1994, c. 22, s. 556; 1995, c. 63, s. 428.

**350.33.** *(Repealed).*

1994, c. 22, s. 556; 1995, c. 63, s. 428.

**350.34.** *(Repealed).*

1994, c. 22, s. 556; 1995, c. 63, s. 428.

**350.35.** *(Repealed).*

1994, c. 22, s. 556; 1995, c. 63, s. 428.

**350.36.** *(Repealed).*

1994, c. 22, s. 556; 1995, c. 1, s. 300; 1995, c. 63, s. 428.

**350.37.** *(Repealed).*

1994, c. 22, s. 556; 1995, c. 1, s. 300; 1995, c. 63, s. 428.

**350.38.** *(Repealed).*

1994, c. 22, s. 556; 1995, c. 63, s. 428.

§ 4. —

*Repealed, 2009, c. 5, s. 631.*

1994, c. 22, s. 556; 2009, c. 5, s. 631.

**350.39.** *(Repealed).*

1994, c. 22, s. 556; 1995, c. 63, s. 429; 1997, c. 85, s. 627; 2009, c. 5, s. 631.

**350.40.** *(Repealed).*

1994, c. 22, s. 556; 1995, c. 63, s. 430; 1997, c. 85, s. 628; 2009, c. 5, s. 631.

**350.41.** *(Repealed).*

1994, c. 22, s. 556; 2009, c. 5, s. 631.

**350.42.** *(Repealed).*

1994, c. 22, s. 556; 2009, c. 5, s. 631.

**350.42.1.** *(Repealed).*

2001, c. 53, s. 341; 2009, c. 5, s. 631.

**350.42.2.** *(Repealed).*

2001, c. 53, s. 341; 2009, c. 5, s. 631.



## **DIVISION XIX.1**

### **RETURNABLE CONTAINER**

2009, c. 5, s. 632.

**350.42.3.** For the purposes of this division,

“applicable compulsory amount” for a returnable container of a particular class means the compulsory consumers’ refund for a returnable container of that class;

“compulsory consumers’ refund” for a returnable container of a particular class means the amount that, in respect of recycling, must be paid for a used and empty returnable container of that class to a person of a class that includes consumers;

“consumers’ recycler”, in respect of a returnable container of a particular class, means a person who, in the ordinary course of the person’s business, acquires used and empty returnable containers of that class from consumers for consideration;

“distributor” of a returnable container of a particular class means a person who supplies beverages in filled and sealed returnable containers of that class and charges a returnable container charge in respect of the returnable containers;

“recycler” of returnable containers of a particular class means

(1) a person who, in the ordinary course of the person’s business, acquires used and empty returnable containers of that class, or the material resulting from their compaction, for consideration; or

(2) a person who, in the ordinary course of the person’s business, pays consideration to a person referred to in paragraph 1 in compensation for that person acquiring used and empty returnable containers and paying consideration for those containers;

“recycling” means

(1) the return, redemption, reuse, destruction or disposal of

(a) returnable containers, or

(b) returnable containers and other goods; or

(2) the control or prevention of waste or the protection of the environment;

“refund”, at any time, means in relation to a returnable container of a particular class that is supplied used and empty, or that is filled with a beverage that is supplied, at that time, if there is an applicable compulsory amount for a returnable container of that class, that amount;

“returnable container” means a beverage container of a class of containers that

(1) are ordinarily acquired by consumers;

(2) when acquired by consumers, are ordinarily filled and sealed; and

(3) are ordinarily supplied used and empty by consumers for consideration;

“returnable container charge”, at any time, means

(1) in relation to a returnable container of a particular class containing a beverage that is supplied at that time, the amount that is charged by the supplier as an amount in respect of recycling;

(2) in relation to a filled and sealed returnable container containing a beverage that is held by a person at that time for consumption, use or supply, the amount in respect of the container that would be determined under paragraph 1 if the beverage was supplied at that time by or to the person; and

(3) in relation to a returnable container of a particular class in respect of which a recycler of returnable containers of that class makes at that time a supply of a service in respect of recycling to a distributor, or a recycler, of returnable containers of that class, the amount in respect of the container that would be determined under paragraph 1 if the container was filled and sealed and contained a beverage that would be supplied at that time;

“specified beverage retailer”, in respect of a returnable container of a particular class, means a registrant

(1) who, in the ordinary course of the registrant’s business, makes supplies (in this definition referred to as “specified supplies”) of beverages in returnable containers of that class to consumers in circumstances in which the registrant typically does not unseal the containers; and

(2) whose circumstance is not that all or substantially all of the supplies of used and empty returnable containers of that class that are gathered by the registrant at establishments at which the registrant makes specified supplies are of containers that the registrant acquired used and empty for consideration.

2009, c. 5, s. 632.

**350.42.4.** If a supplier makes a taxable supply, other than a zero-rated supply, of a beverage in a filled and sealed returnable container of a particular class in circumstances in which the supplier typically does not unseal the container, and the supplier charges the recipient a returnable container charge in respect of the container, the consideration for the supply is deemed to be equal to the amount determined by the formula

A – B.

For the purposes of the formula in the first paragraph,

(1) A is the consideration for the particular supply as otherwise determined for the purposes of this Title; and

(2) B is the returnable container charge.

This section does not apply to a supply by a registrant of a beverage in a returnable container in respect of which the registrant is a specified beverage retailer, if the registrant elects not to deduct the amount of the returnable container charge in respect of the container in determining the consideration for the supply for the purposes of this Title.

2009, c. 5, s. 632.

**350.42.5.** Subject to section 350.42.6, if a person makes a supply of a used and empty returnable container, or the material resulting from its compaction, the value of the consideration for the supply is deemed, for the purposes of this Title other than this division, to be nil.

2009, c. 5, s. 632.

**350.42.6.** Section 350.42.5 does not apply

(1) for the purposes of sections 138.5 and 152; or

(2) to a supply made of a used and empty returnable container of a particular class, or the material resulting from its compaction, if the usual business practice of the recipient is to pay consideration for

supplies of used and empty returnable containers of that class, or the material resulting from their compaction, that is determined based on the value of the material from which the containers are made or is otherwise determined based neither on the amount of the refund for the returnable containers nor on the amount of the returnable container charge in respect of filled and sealed returnable containers of that class containing beverages that are supplied.

2009, c. 5, s. 632.

**350.42.7.** If a beverage in a filled and sealed returnable container in respect of which there is a returnable container charge is held at any time by a person for consumption, use or supply in the course of commercial activities of the person, the fair market value of the beverage at that time is deemed not to include the amount that would be determined as the refund for the container if the beverage were supplied by the person at that time in a filled and sealed container.

2009, c. 5, s. 632.

**350.42.8.** A registrant shall, in determining the net tax of the registrant for a reporting period that includes a particular time, add the amount determined by the formula in the second paragraph if

(1) the registrant makes a supply of a beverage in a returnable container of a particular class in respect of which the registrant is a specified beverage retailer;

(2) the first and second paragraphs of section 350.42.4 apply in determining the value of the consideration for the supply; and

(3) the registrant makes at the particular time a supply of the returnable container used and empty for consideration without having acquired it used and empty for consideration.

The amount that a registrant is required to add in determining the net tax of the registrant under the first paragraph is determined by the formula

$$A \times B.$$

For the purposes of the formula,

(1) A is the rate of tax specified in the first paragraph of section 16; and

(2) B is the refund for a returnable container of that class.

2009, c. 5, s. 632.

## **DIVISION XX**

### **FLEA MARKETS**

1995, c. 1, s. 301.

**350.43.** *(Repealed).*

1995, c. 1, s. 301; 1995, c. 63, s. 431.

**350.44.** Where a person (in this division referred to as the “operator”) provides space in a flea market or similar business to a person (in this division referred to as the “occupant”), the following rules apply:

(1) the operator shall file with the Minister in prescribed form containing prescribed information a list of occupants, for a particular month, on or before the fourteenth day of the month following that month; and

(2) the operator, upon filing with the Minister the list referred to in subparagraph 1, shall post in public view a list containing the names only of the occupants for the periods referred to in subparagraph 1 at his principal establishment and in a place easily accessible to the public on the premises of the flea market or similar business.

For the purposes of subparagraph 1 of the first paragraph, the list of occupants may be filed with the Minister by means of a facsimile of the prescribed form.

1995, c. 1, s. 301; 1995, c. 63, s. 432; 1997, c. 3, s. 128; 1997, c. 85, s. 629.

**350.45.** For the purposes of this division, an occupant shall furnish to an operator on his request the information referred to in subparagraph 1 of the first paragraph of section 350.44.

1995, c. 1, s. 301.

**350.46.** Every operator who fails either to file the prescribed form, or the facsimile thereof, containing prescribed information, or to post the list of occupants, in accordance with section 350.44, shall incur a penalty of \$100 per day of failure.

1995, c. 1, s. 301.

**350.47.** *(Repealed).*

1995, c. 63, s. 433; 2002, c. 46, s. 28.

## **DIVISION XXI**

### **CLOTHING INDUSTRY**

2002, c. 9, s. 164.

**350.48.** For the purposes of this division,

“clothing” does not include footwear or jewellery;

“clothing manufacturer” means a registrant that manufactures clothing, in whole or in part, or causes clothing to be so manufactured, excluding a registrant that

(1) manufactures only made-to-measure clothing for individuals;

(2) manufactures clothing or causes clothing to be manufactured solely for sale to persons who acquire it for a purpose other than that of again supplying it by way of sale, otherwise than by gift; or

(3) manufactures clothing or causes clothing to be manufactured solely for use in connection with its commercial activities.

2002, c. 9, s. 164.

**350.49.** A clothing manufacturer shall file with the Minister for each of its reporting periods, with the return it is required to file under section 468, an information return on the supplies, made in Canada and acquired by the clothing manufacturer, that relate to the manufacturing, in whole or in part, of clothing, which shall contain the following information:

(1) every amount charged for the making of such a supply that is the consideration or part of the consideration for the supply that

(a) became due in the reporting period and was not paid in a preceding reporting period, or

- (b) was paid in the reporting period before becoming due;
- (2) the tax payable, where applicable, in respect of the supply that is attributable to each amount referred to in subparagraph 1; and
- (3) the name of the supplier having charged each amount referred to in subparagraph 1, the name under which the supplier does business, where applicable, the address and telephone number of the supplier and, where applicable, the registration number assigned to the supplier under section 415 or 415.0.6 or, where the supplier is an individual who is not registered under Division I of Chapter VIII, the supplier's social insurance number.

For the purposes of the first paragraph, a supply is made in Canada if it is deemed to be made in Canada under Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15).

The information return shall be made in prescribed form and be filed with and as prescribed by the Minister for each reporting period of the clothing manufacturer, even if no amount became due or was paid by the clothing manufacturer in the reporting period in relation to a supply referred to in the first paragraph.

2002, c. 9, s. 164; 2012, c. 28, s. 115; 2015, c. 24, s. 180.

## **DIVISION XXII**

### **RESTAURANT SERVICES — SALES RECORDING MODULE**

2010, c. 5, s. 227; 2023, c. 10, s. 6.

**350.50.** For the purposes of this division,

“establishment providing restaurant services” means, as the case may be,

- (1) a place laid out to ordinarily provide, for consideration, meals for consumption on the premises;
  - (2) a place where meals for consumption elsewhere than on the premises are provided for consideration;
- or
- (3) a place where a caterer carries on a business;

“meal” means a food or beverage intended for human consumption but does not include

- (1) a food or beverage supplied through a vending machine; or
- (2) a food or beverage that a recipient receives solely for the purpose of again making a supply of it.

However, the definition of “establishment providing restaurant services” in the first paragraph does not include, as applicable,

- (1) a place that is reserved exclusively for the personnel of a business and where meals are provided for such personnel;
- (2) a place that is a mobile vehicle in which meals are provided;
- (3) a place where the supplies of meals that are made are exempt supplies of meals exclusively;
- (4) a place where meals are provided, for consideration, to be consumed exclusively in the stands, seats or area reserved for the spectators or participants at a cinema, theatre, amphitheatre, racetrack, arena, stadium, sports centre or any other similar place, except in the case of a cinema, theatre or other similar place, if the supplies made in that place consist mainly in the supply of meals, or of property or services for which part of the consideration relates to the supply of a meal or authorizes the recipient to receive the supply of a meal or a discount on the value of the consideration for the supply of a meal;

(5) a place where meals for consumption elsewhere than on the premises are provided for consideration and that is a butcher's shop, bakery, pastry shop, fish shop, grocery store or any other similar business; or

(6) a place that is laid out to ordinarily provide, for consideration, meals for consumption on the premises, that is integrated into the business premises of another business of the operator (other than an establishment providing restaurant services) and that is designed in such a way that fewer than 20 persons can consume meals on the premises simultaneously.

2010, c. 5, s. 227; 2015, c. 8, s. 145; 2017, c. 29, s. 252; 2023, c. 19, s. 134.

**350.51.** If the operator of an establishment providing restaurant services makes a taxable supply of a meal (other than a zero-rated supply) in the course of operating the establishment, the operator shall prepare an invoice containing prescribed information, provide the invoice (except in the cases and conditions prescribed) to the recipient without delay after preparing it and keep a copy of the invoice.

In addition, if the establishment providing restaurant services is a place where alcoholic beverages are provided under a bar permit issued under the Act respecting liquor permits (chapter P-9.1) and authorizing the sale of alcoholic beverages for consumption on the premises, the operator shall also prepare an invoice containing prescribed information concerning the following taxable supplies other than zero-rated supplies:

(1) the supply of an admission made, for consideration, in the establishment, at its entrance or near the establishment, regardless of whether the consideration includes the supply of beverages; and

(2) any other supply of property or services ordinarily made, for consideration, in the establishment, at its entrance or near the establishment, and intended primarily for the use of the clients of the establishment.

The obligations under the second paragraph do not apply

(1) to a supply made by means of a vending machine; or

(2) to a supply of property or services made in a room in a tourist accommodation establishment duly registered under the Tourist Accommodation Act (chapter H-1.01) as a general tourist accommodation establishment.

The operator shall provide the invoice referred to in the second paragraph (except in the cases and conditions prescribed) to the recipient without delay after preparing it and keep a copy of the invoice.

2010, c. 5, s. 227; 2015, c. 8, s. 146; 2023, c. 2, s. 90; 2023, c. 19, s. 135.

**350.51.1.** Any person who, in an establishment providing restaurant services described in the second paragraph of section 350.51, at its entrance or near the establishment, ordinarily makes a supply of property or services referred to in that paragraph under a contract entered into with the operator of the establishment or a person related to the operator shall prepare an invoice containing prescribed information, provide the invoice (except in the cases and conditions prescribed) to the recipient without delay after preparing it and keep a copy of the invoice.

The operator shall declare to the Minister in the prescribed form containing prescribed information and filed in the manner determined by the Minister and within the prescribed time, the entering into, modification or expiry of such a contract.

2015, c. 8, s. 147; 2015, c. 36, s. 207.

**350.51.2.** Section 350.51 does not apply to a public service body that is a small supplier.

2015, c. 8, s. 147.

**350.52.** The operator of an establishment providing restaurant services who is a registrant shall, by means of a prescribed device, keep a register containing the information referred to in section 350.51 and issue the invoice described in that section.

The operator shall also enter in the register, by means of the device, the prescribed information on the operations relating to an invoice or to a supply referred to in section 350.51. In the case of information relating to the payment of such a supply, the operator shall enter the information in the register without delay, except in the cases prescribed, upon receiving the payment.

2010, c. 5, s. 227; 2015, c. 36, s. 208.

**350.52.1.** Any person who is a registrant and who, in an establishment providing restaurant services described in the second paragraph of section 350.51, ordinarily makes a supply of property or services referred to in that paragraph under a contract entered into with the operator of the establishment or a person related to the operator shall, by means of a prescribed device, keep a register containing the information referred to in section 350.51.1 and issue the invoice referred to in that section.

The person shall also enter in the register, by means of the device, the prescribed information on the operations relating to an invoice or to the supply of property or services referred to in the second paragraph of section 350.51. In the case of information relating to the payment of such a supply, the person shall enter the information (except in the prescribed cases) in the register without delay upon receiving the payment.

2015, c. 8, s. 148; 2015, c. 36, s. 209.

**350.52.2.** Except in the prescribed cases, the operator of an establishment providing restaurant services who is a registrant shall, where the establishment is referred to in the second paragraph of section 350.51, enter into a written agreement for the supply of property or services made on an exceptional basis by a person in that establishment, at its entrance or near the establishment, before the supply is made. The operator shall, by means of the device referred to in section 350.52, enter the prescribed information relating to the agreement.

2015, c. 8, s. 148.

**350.53.** A registrant referred to in section 350.52 or 350.52.1 or a person acting on the registrant's behalf may not print the invoice containing the information referred to in section 350.51 or 350.51.1 more than once, except when providing it to the recipient for the purposes of either of those sections. If such a registrant or such a person prints a copy, duplicate, facsimile or any other type of total or partial reproduction for another purpose, the registrant or person can only do so by means of the device referred to in section 350.52 or 350.52.1 and shall make a note on such a document identifying the operation relating to the invoice.

No registrant or person referred to in the first paragraph may provide a recipient of a supply who is referred to in section 350.51 or 350.51.1 with a document stating the consideration paid or payable by the recipient for the supply and the tax payable in respect of the supply, except in the prescribed cases and conditions or unless the document was generated in accordance with the first paragraph or in accordance with section 350.52 or 350.52.1.

2010, c. 5, s. 227; 2015, c. 8, s. 149; 2023, c. 19, s. 136.

**350.54.** A registrant referred to in section 350.52 or 350.52.1 shall file with the Minister, for each prescribed period, a report in the prescribed form containing prescribed information, within the prescribed time and in the manner prescribed by the Minister.

Except in the cases prescribed, the form must be filed in respect of each device referred to in section 350.52 or 350.52.1 even if no supply was made during the period.

2010, c. 5, s. 227; 2015, c. 8, s. 150.

**350.55.** No registrant referred to in section 350.52 or 350.52.1 may have, in an establishment providing restaurant services, a device referred to in that section that is not sealed at all times.

If a seal is broken, the registrant shall, without delay and at the registrant's expense, have a new seal affixed and notify the Minister in the prescribed manner.

2010, c. 5, s. 227; 2015, c. 8, s. 151.

**350.56.** No person may open or repair a device referred to in section 350.52 or 350.52.1, or install or affix a seal on such a device, unless authorized to do so by the Minister.

2010, c. 5, s. 227; 2015, c. 8, s. 152.

**350.56.1.** No person, except a person referred to in section 350.52 or 350.52.1, may activate, deactivate, initialize, maintain or update a device referred to in either of those sections, or perform any other similar work in respect of such a device, unless authorized to do so by the Minister.

Any person who performs work referred to in the first paragraph shall notify the Minister in the prescribed manner and without delay after performing the work, regardless of whether the work required the Minister's authorization.

2015, c. 8, s. 153.

**350.56.2.** The authorization required under section 350.56.1 must be requested from the Minister in the prescribed form containing prescribed information and in the manner determined by the Minister.

2015, c. 8, s. 153; 2015, c. 36, s. 210.

**350.56.3.** The Minister may suspend, revoke or refuse to issue the authorization required under section 350.56.1 to any person who

(1) has been found guilty of an offence against a fiscal law within the preceding five years or is a person one of whose directors or senior officers has been found guilty of such an offence within the preceding five years;

(2) is controlled by a person who has been found guilty of an offence against a fiscal law within the preceding five years or is controlled by a person one of whose directors or senior officers has been found guilty of such an offence within the preceding five years;

(3) has failed to keep registers or supporting documents in accordance with subsection 1 of section 34 of the Tax Administration Act (chapter A-6.002);

(4) fails to comply with a direction or order of the Minister under section 34 or 35 of the Tax Administration Act;

(5) has contravened section 34.1 or 34.2 of the Tax Administration Act;

(6) has failed to preserve registers or supporting documents in accordance with sections 35.1 to 35.5 of the Tax Administration Act; or

(7) has failed to meet any other prescribed requirement.

In the cases provided for in subparagraphs 2 to 6 of the first paragraph, the Minister may not revoke the authorization without having first suspended it.



The Minister may also, when the public interest so requires, suspend, revoke or refuse to issue an authorization required under section 350.56.1, in particular if the person fails to meet the high standards of integrity that the public is entitled to expect from a person holding such authorization.

2015, c. 8, s. 153.

**350.56.4.** The Minister may suspend, revoke or refuse to issue the authorization required under section 350.56.1 to any person who, at the time of the request for authorization, is not dealing at arm's length, within the meaning of the Taxation Act (chapter I-3), with another person who carries on a similar activity but whose authorization has been revoked or is the subject of an injunction ordering the cessation of the activity, unless it is proven that the person's activity does not constitute a continuation of the activity of the other person.

2015, c. 8, s. 153.

**350.56.5.** A suspension or revocation of the authorization required under section 350.56.1 is effective from the date of notification of the decision to the holder. The decision must be notified by personal service or by registered mail.

A judge of the Court of Québec may authorize a mode of notification different from those provided for in the first paragraph.

2015, c. 8, s. 153; I.N. 2016-01-01 (NCCP).

**350.56.6.** Despite section 350.56.5, in the cases provided for in subparagraphs 2 to 6 of the first paragraph of section 350.56.3, revocation is effective only upon the expiry of 15 days from notification to the holder of the decision to suspend where the holder has not made representations within six days from receipt of the decision. Revocation is effected by operation of law.

2015, c. 8, s. 153; I.N. 2016-01-01 (NCCP).

**350.57.** The Minister may, on such terms and conditions as the Minister determines, exempt a person or class of persons from a requirement set out in sections 350.51 to 350.56.1. The Minister may, however, revoke the exemption or modify the terms and conditions.

2010, c. 5, s. 227; 2015, c. 8, s. 154.

**350.58.** Whoever fails to comply with section 350.51, the first paragraph of section 350.51.1 or any of sections 350.55, 350.56 and 350.56.1 incurs a penalty of \$100; with any of sections 350.52 to 350.52.2, a penalty of \$300; and with section 350.53, a penalty of \$200.

2010, c. 5, s. 227; 2015, c. 8, s. 155.

**350.59.** In any proceedings respecting an offence under section 60.3 of the Tax Administration Act (chapter A-6.002), when it refers to section 350.53, an offence under section 60.4 of the Tax Administration Act, when it refers to any of sections 350.51, 350.51.1, 350.55, 350.56 and 350.56.1, an offence under section 61.0.0.1 of the Tax Administration Act, when it refers to section 350.52 or 350.52.1, or an offence under section 485.3, when it refers to section 425.1.1, an affidavit of an employee of the Agence du revenu du Québec attesting that the employee had knowledge that an invoice was provided to the recipient by an operator of an establishment providing restaurant services referred to in section 350.51, by a person referred to in section 350.51.1 or by a person acting on their behalf, is proof, in the absence of any proof to the contrary, that the invoice was prepared and provided by the operator or by such a person and that the amount shown in the invoice as being the consideration corresponds to the consideration received by the operator from the recipient for a supply.

2010, c. 5, s. 227; 2010, c. 31, s. 175; 2011, c. 6, s. 265; 2015, c. 8, s. 155.

**350.60.** In proceedings respecting an offence referred to in section 350.59, an affidavit of an employee of the Agence du revenu du Québec attesting that the employee carefully analyzed an invoice and that it was

impossible for the employee to find that it was issued using a device referred to in section 350.52 or 350.52.1 of a person referred to in either of those sections, is proof, in the absence of any proof to the contrary, that the invoice was not issued by means of the person's device.

2010, c. 5, s. 227; 2010, c. 31, s. 175; 2015, c. 8, s. 155.

**350.60.1.** This division does not apply where Division XXII.1 applies.

2023, c. 10, s. 7.

## **DIVISION XXII.1**

### **RESTAURANT SERVICES — SALES RECORDING SYSTEM**

2023, c. 10, s. 7.

**350.60.2.** For the purposes of this division,

“establishment providing restaurant services” means, as the case may be,

- (1) a place laid out to ordinarily provide, for consideration, meals for consumption on the premises;
  - (2) a place where meals for consumption elsewhere than on the premises are provided for consideration;
- or
- (3) a place where a caterer carries on a business;

“food truck” means a truck or a trailer that is laid out to prepare or serve meals, whether or not they are intended for consumption on the premises, including a truck or a trailer offering beverages exclusively, but does not include a mobile canteen, that is, a vehicle ordinarily going to businesses, factories, worksites, garages, rest areas or other similar places to offer mainly previously prepared and pre-assembled meals, nor a trailer that may be moved without the use of a truck or road vehicle;

“meal” means a food or beverage intended for human consumption but does not include

- (1) a food or beverage supplied through a vending machine; or
- (2) a food or beverage that a recipient receives solely for the purpose of again making a supply of it.

A place described in paragraph 1 or 2 of the definition of “establishment providing restaurant services” in the first paragraph includes such a place situated in an amusement park, recreational park, water park, animal park, zoological garden, aquarium or other similar place.

However, the definition of “establishment providing restaurant services” in the first paragraph does not include, as applicable,

- (1) a place that is reserved exclusively for the personnel of a business and where meals are provided for such personnel;
- (2) a place that is a mobile vehicle in which meals are provided, unless it is a food truck;
- (3) a place where the supplies of meals that are made are exempt supplies of meals exclusively;
- (4) a place where meals are provided, for consideration, to be consumed exclusively in the stands, seats or area reserved for the spectators or participants at a cinema, theatre, amphitheatre, racetrack, arena, stadium, sports centre or any other similar place, except in the case of a cinema, theatre or other similar place, if the supplies made in that place consist mainly in the supply of meals, or of a property or service for which part of the consideration relates to the supply of a meal or authorizes the recipient to receive the supply of a meal or a discount on the value of the consideration for the supply of a meal;

(5) a place where meals for consumption elsewhere than on the premises are provided for consideration and that is a butcher's shop, bakery, pastry shop, fish shop, grocery store or any other similar business; or

(6) a place that is laid out to ordinarily provide, for consideration, meals for consumption on the premises, that is integrated into the business premises of another business of the operator (other than an establishment providing restaurant services) and that is designed in such a way that fewer than 20 persons can consume meals on the premises simultaneously.

2023, c. 10, s. 7.

**350.60.3.** The operator of an establishment providing restaurant services referred to in section 350.60.4 shall equip that establishment with equipment that allows the operator to comply with the obligations set out in that section and ensure the proper operation of that equipment.

The person referred to in section 350.60.5 shall have in his or her possession equipment that allows the person to comply with the obligations set out in that section and ensure the proper operation of that equipment.

2023, c. 10, s. 7.

**350.60.4.** The operator of an establishment providing restaurant services who is a registrant and who makes a taxable supply of a meal (other than a zero-rated supply) in the course of operating the establishment shall, subject to the prescribed cases and conditions,

(1) send the prescribed information to the Minister in the prescribed manner and at the prescribed time; and

(2) provide an invoice produced in the prescribed manner and containing the prescribed information to the recipient at the time payment of the consideration is due, immediately after the consideration is paid, or, in the case of a supply made for no consideration, without delay after the supply is made and keep a copy of the invoice.

In addition, if the establishment providing restaurant services is a place where alcoholic beverages are provided under a bar permit issued under the Act respecting liquor permits (chapter P-9.1) and authorizing the sale of alcoholic beverages for consumption on the premises, the operator shall also, subject to the prescribed cases and conditions, when making a taxable supply described in the third paragraph, other than a zero-rated supply,

(1) send the prescribed information to the Minister in the prescribed manner and at the prescribed time; and

(2) provide an invoice produced in the prescribed manner and containing the prescribed information to the recipient at the time payment of the consideration is due, immediately after the consideration is paid, or, in the case of a supply made for no consideration, without delay after the supply is made and keep a copy of the invoice.

A taxable supply to which the second paragraph refers is

(1) the supply of an admission made, for consideration, in the establishment, at its entrance or near the establishment, regardless of whether the consideration includes the supply of beverages; or

(2) any other supply of a property or service ordinarily made, for consideration, in the establishment, at its entrance or near the establishment, and intended primarily for the use of the clients of the establishment.

Where the operator has adjusted, refunded or credited an amount in favour of, or to, the recipient, in accordance with section 447 or 448, in respect of the supply referred to in the first or second paragraph for

which an invoice has been produced in the manner provided for in either of those paragraphs, the operator shall, subject to the prescribed cases and conditions,

(1) send the prescribed information to the Minister in the prescribed manner and at the prescribed time; and

(2) issue to the recipient, within a reasonable time, the credit note referred to in paragraph 1 of section 449 produced in the prescribed manner and containing the prescribed information, unless the recipient issues to the operator the debit note referred to in that paragraph 1, and keep a copy of the credit note.

Where the operator has, in accordance with paragraph 1 of section 447 or 448, adjusted an amount in favour of the recipient in respect of the supply referred to in the first or second paragraph for which an invoice has been produced before payment and where the consideration and the tax in respect of that supply have not been charged to the recipient's account, the following rules apply:

(1) despite paragraph 1 of section 449, the operator is not required to issue a credit note to the recipient; and

(2) the fourth paragraph does not apply in respect of the adjustment.

The obligations under the second paragraph do not apply

(1) to a supply made by means of a vending machine; or

(2) to a supply of a property or service made in a room in a tourist accommodation establishment duly registered under the Tourist Accommodation Act (chapter H-1.01) as a general tourist accommodation establishment.

This section does not apply to a small supplier who is a public service body.

2023, c. 10, s. 7; 2024, c. 11, s. 167; 2025, c. 27, s. 177.

**350.60.5.** Any person who is a registrant and who, in an establishment providing restaurant services described in the second paragraph of section 350.60.4, at its entrance or near the establishment, ordinarily makes a taxable supply of a property or service referred to in that paragraph under an agreement entered into with the operator of the establishment or with a person related to the operator shall, subject to the prescribed cases and conditions,

(1) send the prescribed information to the Minister in the prescribed manner and at the prescribed time; and

(2) provide an invoice produced in the prescribed manner and containing the prescribed information to the recipient at the time payment of the consideration is due, immediately after the consideration is paid, or, in the case of a supply made for no consideration, without delay after the supply is made and keep a copy of the invoice.

Where the person has adjusted, refunded or credited an amount in favour of, or to, the recipient, in accordance with section 447 or 448, in respect of the supply referred to in the first paragraph for which an invoice has been produced in the manner provided for in that paragraph, the person shall, subject to the prescribed cases and conditions,

(1) send the prescribed information to the Minister in the prescribed manner and at the prescribed time; and

(2) issue to the recipient, within a reasonable time, the credit note referred to in paragraph 1 of section 449 produced in the prescribed manner and containing the prescribed information, unless the recipient issues to the person the debit note referred to in that paragraph 1, and keep a copy of the credit note.

Where the person has, in accordance with paragraph 1 of section 447 or 448, adjusted an amount in favour of the recipient in respect of the supply referred to in the first paragraph for which an invoice has been produced before payment and where the consideration and the tax in respect of that supply have not been charged to the recipient's account, the following rules apply:

- (1) despite paragraph 1 of section 449, the person is not required to issue a credit note to the recipient; and
- (2) the second paragraph does not apply in respect of the adjustment.

2023, c. 10, s. 7; 2024, c. 11, s. 168.

**350.60.6.** The operator of an establishment providing restaurant services who is not a registrant and who makes a taxable supply of a meal (other than a zero-rated supply) in the course of operating the establishment shall prepare an invoice containing the prescribed information, provide the invoice, subject to the prescribed cases and conditions, to the recipient without delay after preparing it and keep a copy of the invoice.

In addition, if the establishment providing restaurant services is a place where alcoholic beverages are provided under a bar permit issued under the Act respecting liquor permits (chapter P-9.1) and authorizing the sale of alcoholic beverages for consumption on the premises, the operator shall also, when making a taxable supply described in the second paragraph of section 350.60.4, prepare an invoice containing the prescribed information, provide the invoice, subject to the prescribed cases and conditions, to the recipient without delay after preparing it and keep a copy of the invoice.

Any person who is not a registrant and who, in an establishment providing restaurant services described in the second paragraph, at its entrance or near the establishment, ordinarily makes a taxable supply referred to in that paragraph under an agreement entered into with the operator of the establishment or with a person related to the operator shall prepare an invoice containing the prescribed information, provide the invoice, subject to the prescribed cases and conditions, to the recipient without delay after preparing it and keep a copy of the invoice.

The obligations under the second paragraph do not apply

- (1) to a supply made by means of a vending machine; or
- (2) to a supply of a property or service made in a room in a tourist accommodation establishment duly registered under the Tourist Accommodation Act (chapter H-1.01) as a general tourist accommodation establishment.

This section does not apply

- (1) to a small supplier who, while being the holder of a valid event permit issued under the Act respecting liquor permits, makes a supply of alcoholic beverages, if the supply is authorized under that permit; or
- (2) to a small supplier who is a public service body.

2023, c. 10, s. 7.

**350.60.7.** The operator of an establishment providing restaurant services shall, where the establishment is referred to in the second paragraph of section 350.60.4, declare to the Minister the entering into, modification or expiry of an agreement for a taxable supply of a property or service referred to in that paragraph that a person ordinarily makes in that establishment, at its entrance or near the establishment, either in the prescribed form containing prescribed information and filed within the prescribed time period or by sending the prescribed information to the Minister in the prescribed manner and at the prescribed time.

2023, c. 10, s. 7.

**350.60.8.** Except in the prescribed cases, the operator of an establishment providing restaurant services who is a registrant shall, where the establishment is referred to in the second paragraph of section 350.60.4, enter into an agreement for the supply of a property or service made on an exceptional basis by a person in that establishment, at its entrance or near the establishment, before the supply is made. The operator shall send the prescribed information relating to the agreement to the Minister in the prescribed manner and at the prescribed time.

2023, c. 10, s. 7.

**350.60.9.** No person to whom section 350.60.4 or 350.60.5 applies and no person acting on that person's behalf may print or send by a technological means the invoice or credit note, containing the prescribed information, referred to in section 350.60.4 or 350.60.5 more than once, except when providing it to the recipient for the purposes of either of those sections. If such a person prints or sends by such means a reproduction or duplicate of the invoice or credit note for another purpose, the person shall do so in the prescribed manner and such a document must contain the prescribed information.

No such person may provide a recipient of a supply, in relation to the requirement to provide the recipient with an invoice in accordance with the first or second paragraph of section 350.60.4 or the first paragraph of section 350.60.5, with another document stating the consideration paid or payable by the recipient for the supply and the tax payable in respect of the supply, except in the prescribed cases and on the prescribed conditions.

2023, c. 10, s. 7.

**350.60.10.** Every person to whom section 350.60.4 or 350.60.5 applies shall, at the request of a person authorized for that purpose by the Minister,

(1) display a report containing the prescribed information on a device that is part of the equipment described in section 350.60.3;

(2) provide the authorized person with a printed copy of the report or send it to the authorized person by a technological means; or

(3) send the prescribed information to the Minister in the prescribed manner and at the prescribed time.

In the cases described in subparagraphs 1 and 2 of the first paragraph, the person shall also send the prescribed information to the Minister in the prescribed manner and at the prescribed time.

2023, c. 10, s. 7.

**350.60.11.** The Minister may, on such terms and conditions as the Minister determines, exempt a person or class of persons from a requirement set out in sections 350.60.3 to 350.60.10. The Minister may, however, revoke the exemption or modify its terms and conditions.

2023, c. 10, s. 7.

**350.60.12.** Whoever fails to comply with subparagraph 1 of any of the first, second and fourth paragraphs of section 350.60.4, subparagraph 1 of the first or second paragraph of section 350.60.5 or section 350.60.8 or 350.60.10 incurs a penalty of \$300; with subparagraph 2 of any of the first, second and fourth paragraphs of section 350.60.4, subparagraph 2 of the first or second paragraph of section 350.60.5 or any of the first, second and third paragraphs of section 350.60.6, a penalty of \$100; and with section 350.60.9, a penalty of \$200.

2023, c. 10, s. 7.

**350.60.13.** In any proceedings respecting an offence under section 60.3 of the Tax Administration Act (chapter A-6.002), when it refers to section 350.60.9, an offence under section 60.4 of the Tax Administration

Act, when it refers to any of sections 350.60.4, 350.60.5 and 350.60.6, an offence under section 61.0.0.1 of the Tax Administration Act, when it refers to section 350.60.4 or 350.60.5, or an offence under section 485.3, when it refers to section 425.1.1, an affidavit of an employee of the Agence du revenu du Québec attesting that the employee had knowledge that an invoice or credit note was provided to the recipient by an operator of an establishment providing restaurant services to whom section 350.60.4 or 350.60.6 applies, by a person to whom section 350.60.5 or 350.60.6 applies or by a person acting on behalf of that operator or person, is proof, in the absence of any proof to the contrary, that the invoice or credit note was produced or prepared, as the case may be, and provided by the operator or by such a person and that the amount shown in the invoice or credit note as being the consideration or the amount of the refund, adjustment or credit corresponds to the consideration received from the recipient for a supply or to the amount refunded, adjusted or credited to or in favour of the recipient in respect of the supply.

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2023, c. 10, s. 7.

**350.60.14.** In proceedings respecting an offence referred to in section 350.60.13, an affidavit of an employee of the Agence du revenu du Québec attesting that the employee carefully analyzed an invoice or credit note and that it was impossible for the employee to find that it was produced in the manner referred to in section 350.60.4 or 350.60.5 is proof, in the absence of any proof to the contrary, that the invoice or credit note was not produced in the manner referred to in either of those sections.

In addition, in proceedings respecting an offence referred to in section 350.60.13, an affidavit of an employee of the Agence du revenu du Québec attesting that the employee carefully analyzed an invoice or credit note and found that it did not contain the prescribed information described in the third paragraph is proof, in the absence of any proof to the contrary, that the invoice or credit note does not contain the prescribed information.

The prescribed information to which the second paragraph refers is

(1) in the case of an invoice, the information prescribed in accordance with subparagraph 2 of the first or second paragraph of section 350.60.4, subparagraph 2 of the first paragraph of section 350.60.5 or section 350.60.6; and

(2) in the case of a credit note, the information prescribed in accordance with subparagraph 2 of the fourth paragraph of section 350.60.4 or subparagraph 2 of the second paragraph of section 350.60.5.

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2023, c. 10, s. 7.

**350.60.15.** A person to whom section 350.60.4 or 350.60.5 applies commits an offence and is liable to a fine of not less than \$1,000 nor more than \$10,000 if the person refuses to display the report mentioned in section 350.60.10, to provide a copy of the report or send it in the manner provided for in that section, or to send to the Minister the information referred to in section 350.60.10 in accordance with that section.

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2023, c. 10, s. 7.

**350.60.16.** A person to whom section 350.60.4 or 350.60.5 applies commits an offence and is liable to a fine of not less than \$2,500 nor more than \$250,000 if the person provides or displays a report, required under section 350.60.10, that contains inaccurate or incomplete information, or sends such information to the Minister for the purposes of section 350.60.10.

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2023, c. 10, s. 7.

## **DIVISION XXIII**

### **REMUNERATED PASSENGER TRANSPORTATION SERVICES**

2018, c. 18, s. 59; 2021, c. 18, s. 188.

**350.61.** A person who is engaged in a taxi business must equip the vehicle the person uses in the course of carrying on that business with equipment that allows the person to comply with the obligations set out in section 350.62 and ensure the proper operation of that equipment.

2018, c. 18, s. 59; 2019, c. 18, s. 270.

**350.62.** If a person engaged in a taxi business makes a taxable supply of a passenger transportation service (other than a prescribed service) in the course of that business, the person must, subject to the prescribed cases and conditions,

(1) send the prescribed information to the Minister in the prescribed manner and at the prescribed time; and

(2) provide an invoice produced in the prescribed manner and containing the prescribed information to the recipient without delay at the end of the trip, and keep a copy of it.

Where the person has adjusted, refunded or credited an amount in favour of, or to, the recipient, in accordance with section 447 or 448, in respect of the supply referred to in the first paragraph for which an invoice has been produced in the manner provided for in that paragraph, the person shall, subject to the prescribed cases and conditions,

(1) send the prescribed information to the Minister in the prescribed manner and at the prescribed time; and

(2) issue to the recipient, within a reasonable time, the credit note referred to in paragraph 1 of section 449 produced in the prescribed manner and containing the prescribed information, unless the recipient issues to the person the debit note referred to in that paragraph 1, and keep a copy of the credit note.

Where the person has, in accordance with paragraph 1 of section 447 or 448, adjusted an amount in favour of the recipient in respect of the supply referred to in the first paragraph for which an invoice has been produced before payment and where the consideration and the tax in respect of that supply have not been charged to the recipient's account, the following rules apply:

(1) despite paragraph 1 of section 449, the person is not required to issue a credit note to the recipient; and

(2) the second paragraph does not apply in respect of the adjustment.

2018, c. 18, s. 59; 2024, c. 11, s. 169.

**350.63.** No person referred to in section 350.62 and no person acting on that person's behalf may print or send by a technological means the invoice or credit note, containing the prescribed information, referred to in section 350.62 more than once, except when providing it to the recipient for the purposes of that section. If such a person prints or sends by such means a reproduction or duplicate of the invoice or credit note for another purpose, the person shall do so in the prescribed manner and such a document must contain the prescribed information.

No such person may provide a recipient of a supply, in relation to the requirement to provide the recipient with an invoice in accordance with the first paragraph of section 350.62, with another document stating the



consideration paid or payable by the recipient for the supply and the tax payable in respect of the supply, except in the prescribed cases and on the prescribed conditions.

2018, c. 18, s. 59; 2021, c. 18, s. 189; 2023, c. 19, s. 137; 2024, c. 11, s. 170.

**350.64.** The Minister may, on such terms and conditions as the Minister determines, exempt a person or class of persons from a requirement set out in any of sections 350.61 to 350.63 and 350.68 to 350.70. The Minister may, however, revoke the exemption or modify its terms and conditions.

2018, c. 18, s. 59; 2021, c. 15, s. 16.

**350.65.** Whoever fails to comply with subparagraph 1 of the first or second paragraph of section 350.62 or section 350.70 incurs a penalty of \$300; with subparagraph 2 of the first or second paragraph of section 350.62, a penalty of \$100; and with section 350.63, a penalty of \$200.

2018, c. 18, s. 59; 2024, c. 11, s. 171.

**350.66.** In any proceedings respecting an offence under section 60.3 of the Tax Administration Act (chapter A-6.002), when it refers to section 350.63, an offence under section 60.4 of the Tax Administration Act, when it refers to section 350.62, an offence under section 61.0.0.1 of the Tax Administration Act, when it refers to section 350.62, or an offence under section 485.3, when it refers to section 425.1.1, an affidavit of an employee of the Agence du revenu du Québec attesting that the employee had knowledge that an invoice or credit note was provided to the recipient by a person engaged in a taxi business referred to in section 350.62, or by a person acting on that person's behalf, is proof, in the absence of any proof to the contrary, that the invoice or credit note was produced and provided by the person and that the amount shown in the invoice or credit note as being the consideration or the amount of the refund, adjustment or credit corresponds to the consideration received from the recipient for a supply or to the amount refunded, adjusted or credited to or in favour of the recipient in respect of the supply.

2018, c. 18, s. 59; 2021, c. 18, s. 190; 2024, c. 11, s. 171.

**350.67.** In proceedings respecting an offence referred to in section 350.66, an affidavit of an employee of the Agence du revenu du Québec attesting that the employee carefully analyzed an invoice or credit note and that it was impossible for the employee to find that it was produced in the manner referred to in section 350.62 is proof, in the absence of any proof to the contrary, that the invoice or credit note was not produced in the manner referred to in that section.

In addition, in proceedings respecting an offence referred to in section 350.66, an affidavit of an employee of the Agence du revenu du Québec attesting that the employee carefully analyzed an invoice or credit note and found that it did not contain the prescribed information referred to in section 350.62 is proof, in the absence of any proof to the contrary, that the invoice or credit note does not contain the prescribed information.

2018, c. 18, s. 59; 2024, c. 11, s. 171.

**350.68.** A person referred to in section 350.62 must display in the prescribed manner, in any vehicle the person uses in the course of carrying on the person's taxi business, a document showing the registration number that the Minister assigned to that person under section 415 or 415.0.6, in such a manner that the document can be read by a passenger seated in the rear seat.

However, that obligation does not apply if the person supplies only passenger transportation services that are organized or coordinated through an electronic platform or system that allows recipients to read the registration number once the conditions of the trip have been agreed to in writing.

2021, c. 15, s. 17.

**350.69.** A person referred to in section 350.62 must enter the prescribed information in a document, sign the document and, where applicable, have it signed by any other driver who uses a vehicle to supply services in the course of carrying on the person's business and provide a copy to the driver.

Every driver must keep the original or a copy of the document, as the case may be, in the vehicle the driver uses to supply a passenger transportation service.

2021, c. 15, s. 17.

**350.70.** Every driver referred to in section 350.69 or every person referred to in section 350.62 shall, at the request of a person authorized for that purpose by the Minister,

(1) display a report containing the prescribed information on a device that is part of the equipment described in section 350.61;

(2) provide the authorized person with a printed copy of the report or send it to the authorized person by a technological means; or

(3) send the prescribed information to the Minister in the prescribed manner and at the prescribed time.

In the cases described in subparagraphs 1 and 2 of the first paragraph, the driver or person shall also send the prescribed information to the Minister in the prescribed manner and at the prescribed time.

2021, c. 15, s. 17; 2024, c. 11, s. 172.

**350.71.** Where a person authorized for that purpose by the Minister believes that a vehicle is being used to supply services in the course of carrying on a business referred to in section 350.62 or has reasonable grounds to believe that an offence under section 350.78 has been committed, the person may require the driver or the person who has the care or control of the vehicle to produce as identification either of the following documents that the Société de l'assurance automobile du Québec issued to that driver or that person:

(1) the permit referred to in section 18 of the Act respecting remunerated passenger transportation by automobile (chapter T-11.2); or

(2) where that driver or that person does not hold the permit mentioned in paragraph 1 and despite the second paragraph of section 61 of the Highway Safety Code (chapter C-24.2), the driver's or the person's driver's licence.

2021, c. 15, s. 17.

**350.72.** Where a person authorized for that purpose by the Minister believes that a vehicle is being used to supply services in the course of carrying on a business referred to in section 350.62, the person may require the driver of the vehicle to stop the vehicle, at any place and at any reasonable time, so that an examination can be carried out to determine whether the obligations set out in this division are complied with. The driver must comply with such a requirement without delay.

The authorized person may also order that the vehicle not be moved if, as the case may be,

(1) the driver or the person who has the care or control of the vehicle refuses the examination provided for in the first paragraph;

(2) the document mentioned in the first paragraph of section 350.68 is not displayed in the prescribed manner or in accordance with what is provided for in that paragraph, or, where the second paragraph of that section applies, the electronic platform or system did not allow the recipient to read the registration number;

(3) the driver has not signed the document mentioned in section 350.69, has not kept the original or a copy of the document in the vehicle or refuses to produce it in accordance with section 350.74;

(4) the driver refuses to display the report mentioned in section 350.70, to provide a copy of the report or send it in the manner provided for in that section, or to send the Minister the information referred to in section 350.70 in accordance with that section;

(5) the driver or the person who has the care or control of the vehicle refuses to produce identification in accordance with section 350.71;

(6) the driver produces or displays a document or report, required under any of sections 350.68 to 350.78, that contains inaccurate or incomplete information or sends the Minister such information under section 350.70; or

(7) the person has reasonable grounds to believe that an offence under section 350.78 is being or has been committed.

Unless the authorized person decides otherwise, the vehicle must not be moved until the examination, which must be made with all due dispatch, is completed.

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2021, c. 15, s. 17; 2024, c. 11, s. 173.

**350.73.** Where a person authorized for that purpose by the Minister has reasonable grounds to believe that an offence under section 350.78 is being or has been committed, the person may require the driver of a vehicle to stop the vehicle, at any place and at any reasonable time, so that an examination can be carried out to determine whether the obligations set out in this division are complied with. The driver must comply with such a requirement without delay.

The authorized person may also, in such a case or in any of the situations described in subparagraphs 1 to 6 of the second paragraph of section 350.72, order that the vehicle not be moved.

Unless the authorized person decides otherwise, the vehicle must not be moved until a judge rules on the application referred to in section 40 or 40.1.0.1 of the Tax Administration Act (chapter A-6.002). The application must be made with all due dispatch.

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2021, c. 15, s. 17.

**350.74.** Where a person authorized by the Minister carries out a verification or an examination under any of sections 350.71 to 350.73, the person may require that the driver produce for examination the document or copy mentioned in section 350.69.

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2021, c. 15, s. 17.

**350.75.** In a case described in section 350.72 or 350.73, the authorized person may cause a vehicle stopped in contravention of Division II of Chapter II of Title VIII of the Highway Safety Code (chapter C-24.2) to be removed and impounded in the nearest suitable place.

In addition, in the case described in the third paragraph of section 350.73, the authorized person may also cause the vehicle to be removed and impounded in the nearest suitable place.

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2021, c. 15, s. 17.

**350.76.** The following commit an offence and are liable to a fine of not less than \$1,000 nor more than \$10,000:

(1) any person referred to in section 350.62 who

(a) neglects or fails to display, in a vehicle referred to in section 350.68, the document mentioned in the first paragraph of that section, in the prescribed manner or in accordance with what is provided for in that

paragraph, or, where the second paragraph of that section applies, to ensure that the electronic platform or system allows recipients to read the registration number,

(b) neglects or fails to fill out or sign the document mentioned in section 350.69 or to provide a copy of the document to any driver who acts on behalf of the person in the course of carrying on the person's business, or

(c) unless the person is a driver referred to in section 350.69, refuses to display the report mentioned in section 350.70, provide a copy of the report or send it in the manner provided for in that section, or refuses to send the information referred to in section 350.70 to the Minister in accordance with that section;

(2) any driver referred to in section 350.69 who

(a) unless the driver is a person referred to in section 350.62, neglects or fails to sign the document mentioned in section 350.69,

(b) neglects or fails to keep in the vehicle the document or copy mentioned in section 350.69 or refuses to provide it in accordance with section 350.74, or

(c) refuses to display the report mentioned in section 350.70, provide a copy of the report or send it in the manner provided for in that section, or refuses to send the information referred to in section 350.70 to the Minister in accordance with that section; and

(3) any driver of a vehicle, or any person who has the care or control of the vehicle, who refuses to produce identification in accordance with section 350.71.

2021, c. 15, s. 17; 2024, c. 11, s. 174.

**350.77.** A person commits an offence and is liable to a fine of not less than \$2,500 nor more than \$250,000, if the person

(1) neglects or fails to obey the signals or orders of an authorized person to whom section 350.72 or 350.73 refers; or

(2) produces or displays a document or report, required under any of sections 350.68 to 350.78, that contains inaccurate or incomplete information or sends to the Minister such information pursuant to section 350.70.

2021, c. 15, s. 17; 2024, c. 11, s. 175.

**350.78.** The offences referred to in section 350.71, subparagraph 7 of the second paragraph of section 350.72 and the first paragraph of section 350.73 are the following:

(1) an offence under section 60.3 of the Tax Administration Act (chapter A-6.002) where it refers to section 350.63;

(2) an offence under section 60.4 of that Act where it refers to subparagraph 2 of the first or second paragraph of section 350.62; and

(3) an offence under section 61.0.0.1 of that Act where it refers to section 350.61 or subparagraph 1 of the first or second paragraph of section 350.62.

2021, c. 15, s. 17; 2024, c. 11, s. 176.

## CHAPTER VII

### REBATE, COMPENSATION AND TRANSFER

2015, c. 21, s. 696.

#### DIVISION I

##### REBATE

§ 1. — *Person resident outside Québec or Canada*

I. — *Property or services*

1994, c. 22, s. 557; 2015, c. 21, s. 697.

**351.** Subject to section 357, a person not resident in Canada, other than a consumer, who is the recipient of a supply of corporeal movable property acquired by the person for use primarily outside Québec is entitled to a rebate of the tax paid by the person in respect of the supply if the person takes or ships the property outside Québec within 60 days after it is delivered to the person.

This section does not apply in respect of a supply of the following:

- (1) *(subparagraph repealed)*;
- (2) excisable goods; or
- (3) *(subparagraph repealed)*;
- (4) gasoline, diesel fuel or other motive fuel, other than such fuel that is being transported in a vehicle designed for transporting gasoline, diesel fuel or other motive fuel in bulk and is for use otherwise than in the vehicle in which or with which it is being transported;
- (5) *(subparagraph repealed)*.

1991, c. 67, s. 351; 1994, c. 22, s. 558; 1995, c. 63, s. 434; 1997, c. 85, s. 630; 2002, c. 9, s. 165; 2005, c. 38, s. 372; 2015, c. 21, s. 698; 2024, c. 11, s. 177.

**352.** A person who is resident in Canada is entitled to a rebate of the tax paid by the person in respect of a supply made in Québec by way of sale of a property that is corporeal movable property of which the person is the recipient (other than a property included in the second paragraph of section 351), a mobile home or a floating home, if the person takes or ships the property to another province, the Northwest Territories, the Yukon Territory or Nunavut within 30 days after it is delivered to the person and if the prescribed conditions are satisfied.

For the purposes of the first paragraph, the period during which a property that has been delivered in Québec to a person is held in storage must not be taken into account in determining whether the person takes or ships the property to the other province or the territory within 30 days after delivery.

No person is entitled to a rebate under the first paragraph unless

- (1) the person files an application for a rebate within one year after the day the person takes or ships the property to the other province or the territory;
- (2) except where the application is a prescribed application, where the person is an individual, the individual has not made another application for a rebate under this section in the calendar quarter in which the application is made;

(3) where the person is not an individual, the person has not made another application for a rebate under this section in the month in which the application is made; and

(4) prescribed circumstances, if any, exist.

No rebate is paid under this section to a person that is a listed financial institution described in paragraph 6 or 9 of the definition of “listed financial institution” in section 1.

1991, c. 67, s. 352; 1995, c. 63, s. 435; 1997, c. 14, s. 342; 2015, c. 21, s. 699.

**352.1.** *(Repealed).*

1995, c. 1, s. 302; 2003, c. 2, s. 336; 2004, c. 21, s. 531; 2015, c. 21, s. 700.

**352.2.** *(Repealed).*

1995, c. 1, s. 302; 2015, c. 21, s. 700.

**353.** *(Repealed).*

1991, c. 67, s. 353; 1993, c. 19, s. 215; 1995, c. 63, s. 436; 2015, c. 21, s. 701.

**353.0.1.** *(Repealed).*

1997, c. 85, s. 631; 2015, c. 21, s. 702.

**353.0.2.** *(Repealed).*

1997, c. 85, s. 631; 2015, c. 21, s. 702.

**353.0.3.** Subject to section 353.0.4, where a person who is resident in Canada is the recipient of a supply of incorporeal movable property or a service that is acquired by the person for consumption, use or supply to an extent of at least 10% outside Québec and tax under section 16 is paid by the person in respect of the supply, the person is entitled to a rebate of tax equal to the amount determined by the formula

$A \times B.$

For the purposes of this formula,

(1) A is the amount of the tax; and

(2) B is the extent, expressed as a percentage, to which the incorporeal movable property or service is acquired by the person for consumption, use or supply outside Québec.

1997, c. 85, s. 631; 1999, c. 83, s. 316; 2011, c. 1, s. 137; 2011, c. 34, s. 147; 2015, c. 21, s. 703.

**353.0.4.** A person is not entitled to a rebate under section 353.0.3 unless

(1) the person files an application for the rebate within one year after the day the tax became payable;

(2) except where the application is a prescribed application, where the person is an individual, the individual has not made another application under this section in the calendar quarter in which the application is made;

(3) where the person is not an individual, the person has not made another application under this section in the calendar month in which the application is made; and

(4) the prescribed circumstances, if applicable, exist;

(5) *(subparagraph repealed)*.

Despite the first paragraph, no rebate is payable under section 353.0.3 to a person that is a listed financial institution described in paragraph 6 or 9 of the definition of “listed financial institution” in section 1.

1997, c. 85, s. 631; 2009, c. 5, s. 633; 2011, c. 1, s. 138; 2012, c. 28, s. 116; 2015, c. 21, s. 704.

**353.1.** Subject to sections 353.2 and 357, a person not resident in Québec who is not a registrant is entitled to a rebate of the tax paid by the person in respect of the acquisition of property or a service, other than a service of storing or shipping property, where the person

(1) acquires the property or service for consumption or use exclusively in the manufacture or production of an original literary, musical, artistic, cinematographic or other work in which copyright protection subsists and copies, if any, of that work;

(2) is not a consumer of the property or service; and

(3) is manufacturing or producing the work and all copies of it for shipment outside Québec by the person not resident in Québec.

1994, c. 22, s. 559.

**353.2.** Notwithstanding section 33 of the Tax Administration Act (chapter A-6.002), where the recipient of a supply assigns, in prescribed form containing prescribed information, to the supplier the right to a rebate under section 353.1 to which the recipient would be entitled in respect of the supply if the recipient had paid the tax in respect of the supply and had satisfied the conditions set out in section 357, and the supplier pays to, or credits in favour of, the recipient the amount of that tax,

(1) the supplier may claim a deduction under section 455.1 in respect of the supply equal to that amount; and

(2) the recipient is not entitled to any rebate, refund, remission of or compensation for tax in respect of the supply.

1994, c. 22, s. 559; 2010, c. 31, s. 175.

**353.3.** *(Repealed)*.

1994, c. 22, s. 559; 1994, c. 22, s. 560.

**353.3.1.** *(Repealed)*.

1994, c. 22, s. 559; 1995, c. 1, s. 359; 1994, c. 22, s. 560.

**353.4.** *(Repealed)*.

1994, c. 22, s. 559; 1995, c. 1, s. 359; 1994, c. 22, s. 560.

**353.5.** *(Repealed)*.

1994, c. 22, s. 559; 1994, c. 22, s. 560.

II. —

*Repealed, 2002, c. 9, s. 166.*

1994, c. 22, s. 559; 2002, c. 9, s. 166.

**353.6.** *(Repealed).*

1994, c. 22, s. 559; 1997, c. 85, s. 632; 2001, c. 53, s. 342; 2002, c. 9, s. 166.

**354.** *(Repealed).*

1991, c. 67, s. 354; 1994, c. 22, s. 561; 1997, c. 85, s. 633; 2001, c. 53, s. 343; 2002, c. 9, s. 166.

**354.1.** *(Repealed).*

1994, c. 22, s. 562; 1997, c. 85, s. 634; 2001, c. 53, s. 344; 2002, c. 9, s. 166.

**355.** *(Repealed).*

1991, c. 67, s. 355; 1994, c. 22, s. 563; 1995, c. 1, s. 303; 1997, c. 85, s. 635; 2001, c. 53, s. 345; 2002, c. 9, s. 166.

**355.1.** *(Repealed).*

1994, c. 22, s. 564; 1995, c. 1, s. 304; 1997, c. 85, s. 636; 2001, c. 53, s. 346; 2002, c. 9, s. 166.

**355.2.** *(Repealed).*

1994, c. 22, s. 564; 1997, c. 85, s. 637; 2001, c. 53, s. 347; 2002, c. 9, s. 166.

**355.3.** *(Repealed).*

1994, c. 22, s. 564; 1997, c. 85, s. 637; 2001, c. 53, s. 348; 2002, c. 9, s. 166.

**356.** *(Repealed).*

1991, c. 67, s. 356; 1994, c. 22, s. 565; 1997, c. 85, s. 638; 2001, c. 53, s. 349; 2002, c. 9, s. 166.

**356.1.** *(Repealed).*

1994, c. 22, s. 566; 2002, c. 9, s. 166.

III. — *Restrictions*

1994, c. 22, s. 566.

**357.** A person is not entitled to a rebate under section 351 or 353.1 unless

(1) the person files an application for the rebate within one year after

(a) in the case of a rebate under section 351, the day the person ships the property to which the rebate relates outside Québec,

(a.1) *(subparagraph repealed)*,

(b) in the case of a rebate under section 353.1, the day the tax to which the rebate relates became payable,

(c) *(subparagraph repealed)*;



(2) *(paragraph repealed)*;

(3) *(paragraph repealed)*;

(4) in the case of a rebate under section 351, the person is not resident in Canada at the time the application for a rebate is made;

(4.1) in the case of a rebate under section 351, the rebate is substantiated by a receipt for an amount that includes consideration totalling at least \$50, for taxable supplies, other than zero-rated supplies, in respect of which the person is otherwise entitled to a rebate under section 351; and

(5) the application for a rebate relates to taxable supplies, other than zero-rated supplies, the total consideration for which is at least \$200;

(6) *(paragraph repealed)*;

(7) *(paragraph repealed)*.

1991, c. 67, s. 357; 1994, c. 22, s. 567; 1995, c. 1, s. 305; 1997, c. 85, s. 639; 1998, c. 16, s. 312; 2001, c. 7, s. 178; 2001, c. 53, s. 350; 2002, c. 9, s. 167; 2009, c. 5, s. 634; 2012, c. 28, s. 117; 2015, c. 21, s. 705.

#### IV. — *Conventions*

1994, c. 22, s. 568.

**357.1.** Where a person not resident in Québec who is not registered under Division I of Chapter VIII is the recipient of a supply by way of lease, licence or similar arrangement of an immovable that is acquired by the person exclusively for use as a site for the promotion, at a convention, of a business of the person or of property or services supplied by the person, the person is entitled, on the person's application filed within one year after the day the convention ends, to

(1) a rebate equal to the tax paid by the person in respect of that supply; and

(2) a rebate equal to the tax paid by the person in respect of a supply to the person of related convention supplies in respect of the convention.

1994, c. 22, s. 568.

**357.2.** The rules set out in the second paragraph apply where the sponsor of a foreign convention pays tax in respect of

(1) a supply of property or services relating to the convention made by a registrant who is the organizer of the convention;

(2) a supply, made by a registrant who is not the organizer of the convention, of the convention facility, or of property or services that are acquired by the sponsor for consumption, use or supply by the sponsor as related convention supplies; or

(3) property or services that are brought into Québec by the sponsor for consumption, use or supply by the sponsor as related convention supplies.

Subject to section 357.3, and on the sponsor's application filed within one year after the day the convention ends, the sponsor is entitled,

(1) in the case of a supply made by the organizer, to a rebate equal to the total of

(a) the tax paid by the sponsor calculated on that part of the consideration for the supply that is reasonably attributable to the convention facility or related convention supplies other than property or services that are food or beverages or are supplied under a contract for catering; and

(b) 50% of the tax paid by the sponsor calculated on that part of the consideration for the supply that is reasonably attributable to related convention supplies that are food or beverages or are supplied under a contract for catering; and

(2) in any other case, to a rebate equal to

(a) if the property or services are food or beverages or are supplied under a contract for catering, 50% of the tax paid by the sponsor in respect of the supply or bringing into Québec of the property or services; and

(b) in any other case, the tax paid by the sponsor in respect of the supply or bringing into Québec of the property or services.

1994, c. 22, s. 568; 2001, c. 53, s. 351; 2009, c. 5, s. 635.

**357.3.** Where a registrant who is the organizer of a foreign convention pays to, or credits in favour of, the sponsor of the convention an amount on account of a rebate under section 357.2 to which the sponsor would be entitled in respect of a supply made by the registrant to the sponsor if the sponsor had paid the tax in respect of the supply and had applied for the rebate in accordance with that section,

(1) the registrant may claim a deduction under section 455.1 in respect of the amount paid or credited to the sponsor; and

(2) the sponsor is not entitled to any rebate, refund or remission in respect of the tax to which the amount relates.

1994, c. 22, s. 568.

**357.4.** If an organizer of a foreign convention who is not registered under Division I of Chapter VIII pays tax in respect of a supply of the convention facility or a supply or the bringing into Québec of related convention supplies, the organizer is entitled, on the organizer's application filed within one year after the day the convention ends, to a rebate equal to the total of

(1) the tax paid by the organizer calculated on that part of the consideration for the supply or on that part of the value of property that is reasonably attributable to the convention facility or related convention supplies other than property or services that are food or beverages or are supplied under a contract for catering; and

(2) 50% of the tax paid by the organizer calculated on that part of the consideration for the supply or on that part of the value of property that is reasonably attributable to related convention supplies that are food or beverages or are supplied under a contract for catering.

1994, c. 22, s. 568; 2001, c. 53, s. 352; 2009, c. 5, s. 636.

**357.5.** The second paragraph applies where

(1) a person who is the organizer of a foreign convention and who is not registered under Division I of Chapter VIII, or the sponsor of a foreign convention, is the recipient of

(a) a taxable supply of the convention facility, or related convention supplies, made by the operator of the facility who is not the organizer of the convention, or

(b) a taxable supply, made by a registrant other than the organizer of the convention, of short-term accommodation or camping accommodation that is acquired by the person exclusively for supply in connection with the convention; and

(2) the operator of the facility or supplier of short-term accommodation or camping accommodation pays to, or credits in favour of, the person an amount on account of a rebate to which the person would be entitled under section 357.2 or 357.4 in respect of the supply of the facility, short-term accommodation or camping accommodation, as the case may be, if the person had paid the tax in respect of the supply and had applied for the rebate in accordance with that section.

The operator or supplier of short-term accommodation or camping accommodation, as the case may be, may claim a deduction under section 455.1 in respect of the amount paid to, or credited in favour of, the person, and the person is not entitled to any rebate, refund or remission in respect of the tax to which the amount relates.

For the purposes of this section, “camping accommodation” means a campsite at a recreational trailer park or campground, other than a campsite included in the definition of “short-term accommodation” in section 1 or included in that part of a tour package that is not the taxable portion of the tour package, within the meaning of section 63, that is supplied by way of lease, licence or similar arrangement for the purpose of its occupancy by an individual as a place of residence or lodging, if the period throughout which the individual is given continuous occupancy of the campsite is less than one month and includes water, electricity and waste disposal services, or the right to their use, if they are accessed by means of an outlet or hook-up at the campsite and are supplied with the campsite.

1994, c. 22, s. 568; 2001, c. 53, s. 353; 2002, c. 9, s. 168.

**357.5.0.1.** If, in accordance with section 357.3 or 357.5, a registrant pays to, or credits in favour of, a person an amount on account of a rebate and, in determining the registrant’s net tax for a reporting period, claims a deduction under section 455.1 in respect of the amount paid or credited, the registrant shall file with the Minister prescribed information in respect of the amount in the form and manner prescribed by the Minister on or before the day on which the registrant’s return under Chapter VIII for the reporting period in which the amount is deducted is required to be filed.

2009, c. 5, s. 637.

#### IV.1. — *Installation services*

1997, c. 85, s. 640.

**357.5.1.** Where corporeal movable property is supplied on an installed basis by a supplier not resident in Québec who is not registered under Division I of Chapter VIII to a particular person who is so registered and the supplier or another person not resident in Québec who is not so registered is the recipient of a taxable supply in Québec of a service of installing, in an immovable situated in Québec, the corporeal movable property so that it can be used by the particular person,

(1) the recipient of the service is entitled to a rebate of the tax paid by the recipient of the service in respect of the supply of the service if the recipient of the service files an application within one year after the completion of the service; and

(2) the particular person is deemed to have received from the supplier of the corporeal movable property a taxable supply of the service that is separate from and not incidental to the supply of the property, for consideration equal to that part of the total consideration paid or payable by the particular person for the property and the installation of the property that can reasonably be attributed to the installation.

1997, c. 85, s. 640.

**357.5.2.** Where a person not resident in Québec submits to a supplier an application for a rebate under section 357.5.1 to which the person not resident in Québec would be entitled in respect of a supply made by the supplier to the person not resident in Québec if the person not resident in Québec had paid the tax in respect of the supply and had applied for the rebate in accordance with that section, the supplier may pay to, or credit in favour of, the person not resident in Québec the amount of the rebate in which event the supplier

shall transmit the application to the Minister with the supplier's return filed under Chapter VIII for the reporting period in which the rebate is paid or credited to the person not resident in Québec and, notwithstanding section 28 of the Tax Administration Act (chapter A-6.002), no interest is payable in respect of the rebate.

1997, c. 85, s. 640; 2010, c. 31, s. 175.

**357.5.3.** Where, under section 357.5.2, a supplier pays to, or credits in favour of, a person an amount on account of a rebate and the supplier knows or ought to know that the person is not entitled to the rebate or that the amount paid or credited to the person exceeds the rebate to which the person is entitled, the supplier and the person are solidarily liable to pay to the Minister the amount that was paid to, or credited in favour of, the person on account of the rebate or the excess amount, as the case may be.

1997, c. 85, s. 640.

#### V. — *Solidary liability*

1994, c. 22, s. 568; 1995, c. 63, s. 510.

**357.6.** This section applies where, under sections 351, 353.1, 353.2 and 357.2 to 357.5, a registrant at a particular time pays to, or credits in favour of, a person an amount on account of a rebate and

(1) the person does not satisfy the condition (in this section referred to as the “eligibility condition”) that the person would have been entitled to the rebate if the person had paid the tax to which the amount relates and had satisfied the conditions of section 357 or, in the case of a rebate under section 357.2, had applied for the rebate within the time limited by that section for filing an application for the rebate; or

(2) the amount paid to, or credited in favour of, the person exceeds the rebate to which the person would have been so entitled, by a particular amount.

Subject to the third paragraph, the person is liable to pay to the Minister the amount or particular amount, as the case may be, as if it had been paid at the particular time to the person as a rebate under this division.

Where, at the particular time, the registrant knows or ought to know that the person does not satisfy the eligibility condition or that the amount paid to, or credited in favour of, the person exceeds the rebate to which the person is entitled, the registrant and the person are solidarily liable to pay to the Minister the amount or particular amount, as the case may be, as if it had been paid at the particular time as a rebate under this division to the registrant and the person.

1994, c. 22, s. 568; 1995, c. 63, s. 510; 2002, c. 9, s. 169.

#### § 2. — *Employee and member of a partnership*

**358.** Where a musical instrument, motor vehicle, aircraft or any other property or a service is or would, but for section 345.1, be regarded as having been acquired or brought into Québec by an individual who is a member of a partnership that is a registrant or an employee of a registrant (other than a listed financial institution), in the case of an individual who is a member of a partnership, the acquisition or bringing into Québec is not on the account of the partnership, the individual has paid the tax payable in respect of the acquisition or bringing into Québec, and, in the case of an acquisition or bringing into Québec of a musical instrument, the individual is not entitled to claim an input tax refund in respect of the instrument, the individual is entitled, subject to sections 359 and 360, to a rebate in respect of the property or service for each calendar year equal to the amount determined by the formula

$$A \times (B + C - D).$$

For the purposes of this formula,

- (1) A is 9.975/109.975;
- (2) B is the amount deducted under the Taxation Act (chapter I-3) in computing the individual's income for the year from the partnership or from an office or employment, as the case may be, which is
  - (a) the part or amount prescribed under that Act of the capital cost of the aircraft, musical instrument or motor vehicle,
  - (b) the amount in respect of the acquisition and bringing into Québec of the other property brought into Québec by the individual, not exceeding the total of the value of that property within the meaning of section 17 and the tax calculated on it, or
  - (c) the amount in respect of the supply by way of lease, licence or similar arrangement of the aircraft, musical instrument or motor vehicle, the supply in Québec of the other property or the supply of the service;
- (3) C is the amount paid by the individual in the year and which may or could, were it not for sections 752.0.18.7 and 752.0.18.9 of the Taxation Act, be included in the aggregate referred to in section 752.0.18.3 or 752.0.18.8 of that Act and that refers to the supply in Québec of the other property or to the supply of the service, including the tax paid or payable under this Title and Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15); and
- (4) D is the total of all amounts that the individual received or is entitled to receive from the individual's employer or the partnership, as the case may be, as a reimbursement in respect of the amount represented by the letter B or C in the formula under this section.

This section does not apply where the individual has received in respect of the amount represented by the letter B or C in the formula under this section an allowance from a person, other than an allowance that, at the time the allowance was paid, the person considered was not a reasonable allowance for the purposes of paragraph *e* of section 39 or section 40 of the Taxation Act or, where that person is a partnership of which the individual is a member, would not have been a reasonable allowance for the purposes of paragraph *e* of section 39 or section 40 had the member been an employee of that partnership at that time.

1991, c. 67, s. 358; 1993, c. 19, s. 216; 1994, c. 22, s. 569; 1995, c. 1, s. 306; 1995, c. 63, s. 437; 1997, c. 14, s. 343; 1997, c. 85, s. 641; 2005, c. 1, s. 357; 2010, c. 5, s. 228; 2011, c. 6, s. 266; 2012, c. 28, s. 118.

**359.** The rebate in respect of property or a service payable under section 358 for a calendar year to an individual who is a member of a partnership shall not exceed the amount that would be an input tax refund of the partnership in respect of the property or service for the last reporting period of the partnership in its last fiscal year ending in that calendar year if

- (1) in the case of a musical instrument that is capital property of the individual, the partnership had, in that reporting period,
  - (a) acquired the instrument by way of lease exclusively for use in activities of the partnership and for use in commercial activities thereof to the same extent that the individual's consumption or use of the instrument during that calendar year in activities of the partnership was in commercial activities thereof, and
  - (b) paid tax in respect of the instrument equal to the amount determined by multiplying the prescribed part or amount of the capital cost in respect of that instrument that was deductible under the Taxation Act (chapter I-3) in computing the individual's income from the partnership for that calendar year, by 9.975/109.975;
- (2) in the case of an aircraft or a motor vehicle that is capital property of the individual,

(a) the partnership had acquired the aircraft or vehicle in that reporting period in circumstances in which section 252 applies and had used the aircraft or vehicle during that last fiscal year of the partnership in commercial activities of the partnership to the same extent that the individual's use of the aircraft or vehicle during that calendar year in activities of the partnership was in commercial activities thereof, and

(b) the prescribed part or amount of the capital cost in respect of the aircraft or vehicle that was deductible under the Taxation Act in computing the individual's income from the partnership for that calendar year were the prescribed part or amount of the capital cost so deductible in computing the income of the partnership for that last fiscal year of the partnership; and

(3) in any other case, the partnership had

(a) acquired the property or service exclusively for use in activities of the partnership and for use in commercial activities thereof to the same extent that the individual's consumption or use of the property or service during that calendar year in activities of the partnership was in commercial activities thereof, and

(b) paid, in that reporting period, tax in respect of that acquisition equal to the amount determined by multiplying the following amount by 9.975/109.975:

i. in the case of property brought into Québec by the individual, the amount in respect of the acquisition and bringing into Québec of the property, not exceeding the total of the value of the property within the meaning of section 17 and the tax under that section that was deductible under the Taxation Act in computing the individual's income from the partnership for that calendar year, and

ii. in any other case, the amount in respect of the acquisition of the property or service by the individual that was so deductible in computing that income.

1991, c. 67, s. 359; 1993, c. 19, s. 217; 1994, c. 22, s. 569; 2007, c. 12, s. 324; 2010, c. 5, s. 229; 2011, c. 6, s. 267; 2012, c. 28, s. 119.

**360.** A rebate for a calendar year shall not be paid under section 358 to an individual unless, within four years after the end of the year or on or before such later day as the Minister may determine, the individual files with the Minister an application for the rebate, in prescribed form containing prescribed information, with the fiscal return under section 1000 of the Taxation Act (chapter I-3) that the individual is required to file, or would be required to file if the individual were liable for tax under Part I of that Act.

Section 1052 of the Taxation Act applies, adapted as required, to such rebate.

1991, c. 67, s. 360; 1994, c. 22, s. 569; 2001, c. 53, s. 354.

**360.1.** An individual shall not make more than one application for a rebate under section 360 for a calendar year.

1994, c. 22, s. 570.

§ 2.1. —

*Repealed, 1995, c. 63, s. 438.*

1994, c. 22, s. 570; 1995, c. 63, s. 438.

**360.2.** *(Repealed).*

1994, c. 22, s. 570; 1995, c. 63, s. 438.

**360.2.1.** *(Repealed).*

1995, c. 1, s. 307; 1995, c. 63, s. 438.

**360.3.** *(Repealed).*

1994, c. 22, s. 570; 1995, c. 63, s. 438.

**360.3.1.** *(Repealed).*

1995, c. 1, s. 308; 1995, c. 63, s. 438.

**360.4.** *(Repealed).*

1994, c. 22, s. 570; 1995, c. 1, s. 309; 1995, c. 63, s. 438.

§ 3. — *Immovable*

I. — *Interpretation*

**360.5.** For the purposes of section 362 and subdivisions II, II.1 and II.3, “single unit residential complex” includes

(1) a multiple unit residential complex that contains no more than two residential units; and

(2) any other multiple unit residential complex if it is described by paragraph 3 of the definition of “residential complex” in section 1 and contains one or more residential units that are for supply as rooms in an inn, a hotel, a motel, a boarding house or a lodging house or similar premises and that would be excluded from being part of the residential complex if the complex were a residential complex not described by that paragraph.

1995, c. 1, s. 310; 2003, c. 2, s. 337.

**360.6.** For the purposes of subdivision II.1, “long-term lease”, in respect of land, means a lease, licence or similar arrangement under which continuous possession of the land is provided for a period of at least 20 years or a lease, licence or similar arrangement that contains an option to purchase the land.

1995, c. 1, s. 310; 1997, c. 85, s. 642; 2001, c. 53, s. 355.

**361.** *(Repealed).*

1991, c. 67, s. 361; 1993, c. 19, s. 218.

**362.** Where a supply of a residential complex or a share in the capital stock of a cooperative housing corporation is made to two or more individuals, or where two or more individuals construct or substantially renovate, or engage another person to construct or substantially renovate, a residential complex, the following rules apply in respect of those individuals:

(1) subject to paragraphs 2 and 3, the references in subdivisions II to II.3 to a particular individual are to be read as references to all of those individuals as a group;

(2) the references in paragraph 1 of section 362.2, subparagraph 2 of the first paragraph of section 370.0.1, paragraph 3 of section 370.5, the portion before paragraph 1 of section 370.9 and subparagraph 2 of the first paragraph of section 370.11 to any use as primary place of residence by the particular individual, an individual related to the particular individual or a former spouse of the particular individual are to be read as references to that use but by any of those individuals, an individual related to any of them or a former spouse of any of those individuals;

(3) the references in subparagraph i of subparagraph a of paragraph 6 of section 362.2, subparagraph a of subparagraph 7 of the first paragraph of section 370.0.1, subparagraph a of paragraph 6 of section 370.5, subparagraph a of paragraph 3 of section 370.9 and subparagraph 3 of the first paragraph of section 370.11 to the particular individual, an individual related to the particular individual or a former spouse of the particular

individual are to be read as references to any of those individuals, an individual related to any of them or a former spouse of any of those individuals; and

(4) only one of those individuals may apply for a rebate under any of subdivisions II to II.3 in respect of the complex or share.

1991, c. 67, s. 362; 1993, c. 19, s. 219; 1994, c. 22, s. 571; 1995, c. 1, s. 311; 2003, c. 2, s. 338; 2023, c. 2, s. 91.

I.1. —

*Repealed, 1995, c. 1, s. 312.*

1993, c. 19, s. 220; 1995, c. 1, s. 312.

**362.1.** *(Repealed).*

1993, c. 19, s. 220; 1994, c. 22, s. 571; 1995, c. 1, s. 312.

II. — *Single unit residential complex or residential unit held in co-ownership*

**362.2.** Subject to section 362.4, a particular individual who receives from a builder of a single unit residential complex or a residential unit held in co-ownership a taxable supply by way of sale of the complex or unit is entitled to a rebate determined in accordance with section 362.3 if

(1) at the time the particular individual becomes liable or assumes liability under an agreement of purchase and sale of the complex or unit entered into between the builder and the particular individual, the particular individual is acquiring the residential complex or unit for use as the primary place of residence of the particular individual, an individual related to the particular individual or a former spouse of the particular individual;

(2) the total (in this section and section 362.3 referred to as the “total consideration”) of all amounts, each of which is the consideration payable for the supply to the particular individual of the complex or unit or for any other taxable supply to the particular individual of an interest in the complex or unit, is less than \$300,000;

(3) the particular individual has paid all of the tax under section 16 payable in respect of the supply of the complex or unit and in respect of any other supply to the individual of an interest in the complex or unit, the total of which tax is referred to in this section and in section 362.3 as the “total tax paid by the particular individual”;

(4) ownership of the complex or unit is transferred to the particular individual after the construction or substantial renovation thereof is substantially completed;

(5) after the construction or substantial renovation is substantially completed and before possession of the complex or unit is given to the particular individual under the agreement of purchase and sale of the complex or unit

(a) in the case of a single unit residential complex, the complex was not occupied by any individual as a place of residence or lodging, and

(b) in the case of a residential unit held in co-ownership, the unit was not occupied by any individual as a place of residence or lodging unless, throughout the time the unit was so occupied, it was occupied as a place of residence by an individual, another individual related to the individual or a former spouse of the individual, who was at the time of that occupancy a purchaser of the unit under an agreement of purchase and sale of the unit; and

(6) either



(a) the first individual to occupy the complex or unit as a place of residence at any time after substantial completion of the construction or renovation is

i. in the case of a single unit residential complex, the particular individual, an individual related to the particular individual or a former spouse of the particular individual, and

ii. in the case of a residential unit held in co-ownership, an individual, another individual related to the individual or a former spouse of the individual, who was at that time a purchaser of the unit under an agreement of purchase and sale of the unit, or

(b) the particular individual makes an exempt supply by way of sale of the complex or unit and ownership thereof is transferred to the recipient of the supply before the complex or unit is occupied by any individual as a place of residence or lodging.

1995, c. 1, s. 313; 2001, c. 51, s. 280; 2011, c. 1, s. 139; 2012, c. 28, s. 120.

**362.3.** For the purposes of section 362.2, the rebate to which a particular individual is entitled in respect of a supply of a single unit residential complex or a residential unit held in co-ownership is equal to

(1) where the total consideration is not more than \$200,000, the amount determined by the formula

$50\% \times A$ ; and

(2) where the total consideration is more than \$200,000 but less than \$300,000, the amount determined by the formula

$\$9,975 \times [(\$300,000 - B)/\$100,000]$ .

For the purposes of these formulas,

(1) A is the total tax paid by the particular individual;

(2) *(subparagraph repealed)*;

(3) B is the total consideration.

1995, c. 1, s. 313; 1997, c. 85, s. 643; 2001, c. 51, s. 281; 2007, c. 12, s. 325; 2009, c. 5, s. 638; 2010, c. 5, s. 230; 2011, c. 1, s. 140; 2011, c. 6, s. 268; 2012, c. 28, s. 121.

**362.4.** A rebate under section 362.2 shall not be paid to an individual in respect of a single unit residential complex or residential unit held in co-ownership unless the individual files an application for the rebate within two years after the day ownership of the complex or unit was transferred to the individual.

1995, c. 1, s. 313; 1997, c. 85, s. 644.

**363.** *(Repealed)*.

1991, c. 67, s. 363; 1993, c. 19, s. 221.

**364.** *(Repealed).*

1991, c. 67, s. 364; 1993, c. 19, s. 221.

**365.** *(Repealed).*

1991, c. 67, s. 365; 1993, c. 19, s. 221.

**366.** The builder of a single unit residential complex or a residential unit held in co-ownership who has made a taxable supply of the complex or unit by way of sale to an individual and has transferred ownership of the complex or unit to the individual under the agreement for the supply may pay or credit to or in favour of the individual the amount of the rebate under section 362.2, if

(1) tax under section 16 has been paid, or is payable, by the individual in respect of the supply;

(2) the individual, within two years after the day ownership of the complex or unit was transferred to the individual under the agreement for the supply, submits to the builder, in the manner prescribed by the Minister, an application in prescribed form containing prescribed information for the rebate to which the individual would be entitled under section 362.2 in respect of the complex or unit if the individual applied therefor within the time allowed for such an application;

(3) the builder agrees to pay or credit to or in favour of the individual any rebate under section 362.2 that is payable to the individual in respect of the complex; and

(4) the tax payable in respect of the supply has not been paid at the time the individual submits an application to the builder for the rebate and, if the individual had paid the tax and made an application for the rebate, the rebate would have been payable to the individual under section 362.2.

1991, c. 67, s. 366; 1993, c. 19, s. 222; 1995, c. 1, s. 314; 1997, c. 85, s. 645.

**367.** Notwithstanding section 362.2, where an application of an individual for a rebate under that section in respect of a single unit residential complex or a residential unit held in co-ownership is submitted under section 366 to the builder of the complex or unit,

(1) the builder shall transmit the application to the Minister with the builder's return filed under Chapter VIII for the reporting period in which the rebate was paid or credited to the individual; and

(2) notwithstanding section 28 of the Tax Administration Act (chapter A-6.002), no interest is payable in respect of the rebate.

1991, c. 67, s. 367; 1993, c. 19, s. 223; 1995, c. 1, s. 315; 2010, c. 31, s. 175.

**368.** Where the builder pays or credits the amount of a rebate under subsection 2 of section 254 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the complex or unit to or in favour of an individual under subsection 4 of that section, the builder shall pay or credit, pursuant to section 366, the amount of the rebate under section 362.2 in respect of the complex or unit to or in favour of the individual.

Section 366 does not apply where a builder of a single unit residential complex or a residential unit held in co-ownership does not pay or credit the amount of a rebate under subsection 2 of section 254 of the Excise Tax Act in respect of the residential complex or unit, to or in favour of an individual under subsection 4 of that section.

1991, c. 67, s. 368; 1993, c. 19, s. 224; 1995, c. 1, s. 316.

**368.1.** *(Repealed).*

1995, c. 1, s. 317; 2001, c. 51, s. 282; 2011, c. 1, s. 141; 2012, c. 28, s. 122.

**369.** *(Repealed).*

1991, c. 67, s. 369; 1993, c. 19, s. 225.

**370.** Where the builder of a single unit residential complex or a residential unit held in co-ownership pays or credits a rebate to or in favour of an individual under section 366 and the builder knows or ought to know that the individual is not entitled to the rebate or that the amount paid or credited exceeds the rebate to which the individual is entitled, the builder and the individual are solidarily liable to pay the amount of the rebate or excess to the Minister.

1991, c. 67, s. 370; 1995, c. 63, s. 510.

**II.1. — Residential complex and land**

1994, c. 22, s. 572.

**370.0.1.** Subject to section 370.0.3, a particular individual who receives from a builder of a residential complex that is a single unit residential complex or a residential unit held in co-ownership a supply referred to in paragraph 1 is entitled to a rebate determined in accordance with section 370.0.2 if

(1) under an agreement entered into between the builder of a single unit residential complex or a residential unit held in co-ownership and the particular individual, the builder makes to the particular individual

(a) one or more exempt supplies under a long-term lease of, or by way of an assignment of a long-term lease of, the land attributable to the complex, and

(b) an exempt supply by way of sale of the building or part thereof in which the residential unit forming part of the complex is situated;

(2) at the time the particular individual becomes liable or assumes liability under the agreement, the particular individual is acquiring the complex for use as the primary place of residence of the particular individual, an individual related to the particular individual or a former spouse of the particular individual;

(3) at the time possession of the complex is given to the particular individual under the agreement, the fair market value of the complex is less than \$344,925;

(4) the builder is deemed under section 223 or 225 to have made a supply of the complex as a consequence of giving possession of the complex to the particular individual under the agreement;

(5) possession of the complex is given to the particular individual after the construction or substantial renovation of it is substantially completed;

(6) after the construction or substantial renovation is substantially completed and before possession of the complex is given to the particular individual under the agreement, the complex was not occupied by any individual as a place of residence or lodging; and

(7) either

(a) the first individual to occupy the complex as a place of residence after substantial completion of the construction or substantial renovation is the particular individual, an individual related to the particular individual or a former spouse of the particular individual, or

(b) the particular individual makes an exempt supply by way of sale or assignment of the whole of the particular individual's interest in the complex and possession of the complex is transferred to the recipient of the supply before the complex is occupied by any individual as a place of residence or lodging.

This section does not apply where the builder of a residential complex is not required, because of an Act of the Legislature of Québec, other than this Act, or an Act of the Parliament of Canada or any other rule of law, to pay or remit the tax that the builder is deemed to have paid and collected under section 223 in respect of a supply of the complex deemed to have been made under that section.

1995, c. 1, s. 318; 1997, c. 85, s. 646; 2001, c. 51, s. 283; 2001, c. 53, s. 356; 2007, c. 12, s. 326; 2009, c. 5, s. 639; 2010, c. 5, s. 231; 2011, c. 1, s. 142; 2011, c. 6, s. 269.

**370.0.2.** For the purposes of section 370.0.1, the rebate to which a particular individual is entitled in respect of the supply referred to in subparagraph 1 of the first paragraph of that section is equal to

(1) if the fair market value referred to in subparagraph 3 of the first paragraph of section 370.0.1 is not more than \$229,950, the amount determined by the formula

$$4.34\% \times A; \text{ and}$$

(2) if the fair market value referred to in subparagraph 3 of the first paragraph of section 370.0.1 is more than \$229,950 but less than \$344,925, the amount determined by the formula

$$(4.34\% \times A) \times [(\$344,925 - B)/\$114,975].$$

For the purposes of these formulas,

(1) A is the total of all amounts each of which is the consideration payable to the builder by the particular individual for the supply by way of sale to the particular individual of the building or part of a building referred to in subparagraph 1 of the first paragraph of section 370.0.1 or of any other structure that forms part of the complex, other than consideration that can reasonably be regarded as rent for the supplies of the land attributable to the complex or as consideration for the supply of an option to purchase that land;

(2) *(subparagraph repealed)*;

(3) B is the fair market value referred to in subparagraph 3 of the first paragraph of section 370.0.1.

For the purposes of this section, the amount obtained by multiplying 4.34% by A may not exceed \$9,975.

1995, c. 1, s. 318; 1997, c. 85, s. 647; 2001, c. 51, s. 284; 2007, c. 12, s. 327; 2009, c. 5, s. 640; 2010, c. 5, s. 232; 2011, c. 1, s. 143; 2011, c. 6, s. 270; 2012, c. 8, s. 269; 2012, c. 28, s. 123.

**370.0.3.** A rebate under section 370.0.1 shall not be paid to an individual in respect of a residential complex unless the individual files an application for the rebate within two years after the day ownership of the complex was transferred to the individual.

1995, c. 1, s. 318; 1997, c. 85, s. 648.

**370.1.** The builder of a residential complex that is a single unit residential complex or a residential unit held in co-ownership who makes a supply of the complex to an individual under an agreement referred to in subparagraph 1 of the first paragraph of section 370.0.1 and transfers possession of the complex to the individual under the agreement may pay to, or credit in favour of, the individual the amount of the rebate under section 370.0.1 where

(1) the individual, within two years after the day possession of the complex is transferred to the individual under the agreement for the supply, submits to the builder, in the manner prescribed by the Minister, an application in prescribed form containing prescribed information for the rebate to which the individual would be entitled under section 370.0.1 in respect of the complex if the individual applied for it within the time allowed for such an application; and

(2) the builder agrees to pay to, or credit in favour of, the individual any rebate under section 370.0.1 that is payable to the individual in respect of the complex.

1994, c. 22, s. 572; 1995, c. 1, s. 319; 1997, c. 85, s. 649; 2001, c. 53, s. 357.

**370.2.** Notwithstanding section 370.0.1, where an application of an individual for a rebate under this section in respect of a residential complex is submitted under section 370.1 to the builder of the complex,

(1) the builder shall transmit the application to the Minister with the builder's return filed under Chapter VIII for the reporting period in which the rebate was paid to, or credited in favour of, the individual; and

(2) notwithstanding section 28 of the Tax Administration Act (chapter A-6.002), interest is not payable in respect of the rebate.

1994, c. 22, s. 572; 1995, c. 1, s. 320; 2010, c. 31, s. 175.

**370.3.** Where the builder pays to or credits in favour of an individual under subsection 4 of section 254.1 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) the amount of the rebate under subsection 2 of that section in respect of the residential complex, the builder shall pay to or credit in favour of the individual, under section 370.1, the amount of the rebate under section 370.0.1 in respect of the residential complex.

Section 370.1 does not apply where the builder of a residential complex does not pay to or credit in favour of an individual, under subsection 4 of section 254.1 of the Excise Tax Act, the amount of the rebate under subsection 2 of that section in respect of the residential complex.

1994, c. 22, s. 572; 1995, c. 1, s. 321.

**370.3.1.** *(Repealed).*

1995, c. 1, s. 322; 1997, c. 85, s. 650; 2001, c. 51, s. 285; 2007, c. 12, s. 328; 2009, c. 5, s. 641; 2010, c. 5, s. 233; 2011, c. 1, s. 144; 2011, c. 6, s. 271; 2012, c. 28, s. 124.

**370.4.** Where the builder of a residential complex pays to or credits in favour of an individual a rebate under section 370.1 and the builder knows or ought to know that the individual is not entitled to the rebate or that the amount paid or credited exceeds the rebate to which the individual is entitled, the builder and the individual are solidarily liable to pay the amount of the rebate or excess to the Minister.

1994, c. 22, s. 572; 1995, c. 63, s. 510.

## **II.2. — Cooperative housing corporation**

1995, c. 1, s. 323.

**370.5.** Subject to section 370.7, a particular individual who receives from a cooperative housing corporation a supply of a share of the capital stock of the corporation is entitled to a rebate determined in accordance with section 370.6, if

(1) the corporation transfers ownership of the share to the particular individual;

(2) the corporation has paid tax in respect of a taxable supply to the corporation of a residential complex;

(3) at the time the particular individual becomes liable or assumes liability under an agreement of purchase and sale of the share entered into between the corporation and the particular individual, the particular individual is acquiring the share for the purpose of using a residential unit in the complex as the primary place of residence of the particular individual, an individual related to the particular individual or a former spouse of the particular individual;

(4) the total (in this section and section 370.6 referred to as the “total consideration”) of all amounts, each of which is the consideration payable for the supply to the particular individual of the share in the corporation or an interest in the complex or unit, is less than \$344,925;

(5) after the construction or substantial renovation of the complex is substantially completed and before possession of the unit is given to the particular individual as an incidence of ownership of the share, the unit was not occupied by any individual as a place of residence or lodging; and

(6) either

(a) the first individual to occupy the unit as a place of residence after possession of the unit is given to the particular individual is the particular individual, an individual related to the particular individual or a former spouse of the particular individual, or

(b) the particular individual makes a supply by way of sale of the share and ownership of the share is transferred to the recipient of that supply before the unit is occupied by any individual as a place of residence or lodging.

1995, c. 1, s. 323; 1997, c. 85, s. 651; 2001, c. 51, s. 286; 2007, c. 12, s. 329; 2009, c. 5, s. 642; 2010, c. 5, s. 234; 2011, c. 1, s. 145; 2011, c. 6, s. 272; 2012, c. 28, s. 125.

**370.6.** For the purposes of section 370.5, the rebate to which a particular individual is entitled in respect of a supply of a share of the capital stock of a cooperative housing corporation is equal to

(1) if the total consideration is not more than \$229,950, the amount determined by the formula

$4.34\% \times A$ ; and

(2) if the total consideration is more than \$229,950 but less than \$344,925, the amount determined by the formula

$\$9,975 \times [(\$344,925 - A)/\$114,975]$ .

For the purposes of these formulas, A is the total consideration.

For the purposes of this section, the amount obtained by multiplying 4.34% by A may not exceed \$9,975.

1995, c. 1, s. 323; 1997, c. 85, s. 652; 2001, c. 51, s. 287; 2007, c. 12, s. 330; 2009, c. 5, s. 643; 2010, c. 5, s. 235; 2011, c. 1, s. 146; 2011, c. 6, s. 273; 2012, c. 28, s. 126.

**370.7.** A rebate under section 370.5 shall not be paid to an individual in respect of a share of the capital stock of a cooperative housing corporation unless the individual files an application for the rebate within two years after the day ownership of the share was transferred to the individual.

1995, c. 1, s. 323; 1997, c. 85, s. 653.

**370.8.** *(Repealed).*

1995, c. 1, s. 323; 1997, c. 85, s. 654; 2001, c. 51, s. 288; 2007, c. 12, s. 331; 2009, c. 5, s. 644; 2010, c. 5, s. 236; 2011, c. 1, s. 147; 2011, c. 6, s. 274; 2012, c. 28, s. 127.

### II.3. — *Self-supply of an immovable*

1995, c. 1, s. 323.

**370.9.** Subject to section 370.12, a particular individual who constructs or substantially renovates, or engages another person to construct or substantially renovate for the particular individual, a residential complex that is a single unit residential complex or a residential unit held in co-ownership for use as the primary place of residence of the particular individual, an individual related to the particular individual or a former spouse of the particular individual, is entitled to a rebate determined in accordance with section 370.10 or 370.10.1, if

(1) the fair market value of the complex, at the time its construction or substantial renovation is substantially completed, is less than \$225,000 for the purposes of section 370.10 or \$300,000 for the purposes of section 370.10.1, as the case may be;

(2) the particular individual has paid tax in respect of a supply by way of sale to the individual of the land that forms part of the complex or an interest therein or in respect of a supply to, or bringing into Québec by, the individual of any improvement thereto or, in the case of a mobile home or floating home, of the complex, the total of which tax is referred to in this section and in sections 370.10 and 370.10.1 as the “total tax paid by the particular individual”; and

(3) either

(a) the first individual to occupy the complex after the construction or substantial renovation is begun is the particular individual, an individual related to the particular individual or a former spouse of the particular individual, or

(b) the particular individual makes an exempt supply by way of sale of the complex and ownership of the complex is transferred to the recipient of the supply before the complex is occupied by any individual as a place of residence or lodging.

1995, c. 1, s. 323; 1997, c. 85, s. 655; 2001, c. 51, s. 289; 2011, c. 1, s. 148; 2011, c. 34, s. 148; 2012, c. 28, s. 128.

**370.9.1.** Where an individual acquires an improvement in respect of a residential complex that the individual is constructing or substantially renovating and tax in respect of the improvement becomes payable by the individual more than two years after the day the complex is first occupied as described in subparagraph *a* of paragraph 3 of section 370.9, that tax shall not be included under paragraph 2 of section 370.9 in determining the total tax paid by the individual.

1997, c. 85, s. 656.

**370.10.** For the purposes of section 370.9, unless section 370.10.1 applies, the rebate to which a particular individual is entitled in respect of the construction or substantial renovation of a single unit residential complex or a residential unit held in co-ownership is equal to

(1) where the fair market value referred to in paragraph 1 of section 370.9 is not more than \$200,000, the amount determined by the formula

$$[36\% \times (A - B)] + B; \text{ and}$$

(2) where the fair market value referred to in paragraph 1 of section 370.9 is more than \$200,000 but less than \$225,000, the amount determined by the formula

$$\{[36\% \times (A - B)] \times [(\$225,000 - C)/\$25,000]\} + B.$$

For the purposes of these formulas,

(1) A is the total tax paid by the particular individual before an application for the rebate is filed with the Minister in accordance with section 370.12;

(2) B is the tax under section 16 that, if applicable, is paid in respect of the amount of the rebate to which the particular individual is entitled in respect of the construction or substantial renovation of the residential complex under subsection 2 of section 256 of the Excise Tax Act (R.S.C. 1985, c. E-15); and

(3) C is the fair market value referred to in paragraph 1 of section 370.9.

For the purposes of this section, the amount obtained by multiplying 36% by the difference between A and B may not exceed,

(0.0.0.1) in the case where all or substantially all of the tax was paid at the rate of 9.975%, \$7,182;

(0.0.1) in the case where all or substantially all of the tax was paid at the rate of 9.5% at a time when the tax payable under subsection 1 of section 165 of the Excise Tax Act was paid at the rate of 5%, \$7,059;

(0.1) in the case where all or substantially all of the tax was paid at the rate of 8.5% at a time when the tax payable under subsection 1 of section 165 of the Excise Tax Act was paid at the rate of 5%, \$6,316;

(1) in the case where all or substantially all of the tax was paid at the rate of 7.5% at a time when the tax payable under subsection 1 of section 165 of the Excise Tax Act was paid at the rate of 5%, \$5,573;

(2) in the case where all or substantially all of the tax was paid at the rate of 7.5% at a time when the tax payable under subsection 1 of section 165 of the Excise Tax Act was paid at the rate of 6%, \$5,607;

(3) in the case where all of the tax was paid at the rate of 7.5% at a time when the tax payable under subsection 1 of section 165 of the Excise Tax Act was paid at the rate of 7%, \$5,642; and

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

$$(D \times \$69) + (E \times \$34) + (F \times \$743) + (G \times \$1,486) + (H \times \$1,609) + \$5,573.$$

For the purposes of the formula in subparagraph 4 of the third paragraph,



(1) D is the percentage that corresponds to the extent to which the tax was paid at the rate of 7.5% at a time when the tax payable under subsection 1 of section 165 of the Excise Tax Act was paid at the rate of 7%;

(2) E is the percentage that corresponds to the extent to which the tax was paid at the rate of 7.5% at a time when the tax payable under subsection 1 of section 165 of the Excise Tax Act was paid at the rate of 6%;

(3) F is the percentage that corresponds to the extent to which the tax was paid at the rate of 8.5% at a time when the tax payable under subsection 1 of section 165 of the Excise Tax Act was paid at the rate of 5%;

(4) G is the percentage that corresponds to the extent to which the tax was paid at the rate of 9.5% at a time when the tax payable under subsection 1 of section 165 of the Excise Tax Act was paid at the rate of 5%; and

(5) H is the percentage that corresponds to the extent to which the tax was paid at the rate of 9.975%.

1995, c. 1, s. 323; 1997, c. 85, s. 657; 2001, c. 51, s. 290; 2007, c. 12, s. 332; 2009, c. 5, s. 645; 2010, c. 5, s. 237; 2011, c. 1, s. 149; 2011, c. 6, s. 275; 2012, c. 28, s. 129.

**370.10.1.** For the purposes of section 370.9, the rebate to which a particular individual is entitled in respect of the construction or substantial renovation of a single unit residential complex or a residential unit held in co-ownership is equal to

(1) where the fair market value referred to in paragraph 1 of section 370.9 is not more than \$200,000, the amount determined by the formula

$$[50\% \times (A - B)] + B; \text{ and}$$

(2) where the fair market value referred to in paragraph 1 of section 370.9 is more than \$200,000 but less than \$300,000, the amount determined by the formula

$$\{[50\% \times (A - B)] \times [(\$300,000 - C)/\$100,000]\} + B.$$

For the purposes of these formulas,

(1) A is the total tax paid by the particular individual before an application for the rebate is filed with the Minister under section 370.12;

(2) B is the tax under section 16 that, if applicable, is paid in respect of the amount of the rebate to which the particular individual is entitled in respect of the construction or substantial renovation of the residential complex under subsection 2 of section 256 of the Excise Tax Act (R.S.C. 1985, c. E-15); and

(3) C is the fair market value referred to in paragraph 1 of section 370.9.

For the purposes of this section, the amount obtained by multiplying 50% by the difference between A and B may not exceed,

(1) where all the tax was paid at the rate of 8.5%, \$8,772;

(2) where all the tax was paid at the rate of 9.5%, \$9,804;

- (3) where all the tax was paid at the rate of 9.975%, \$9,975; and
- (4) in any other case, the amount determined by the formula

$$(D \times \$1,032) + (E \times \$1,203) + \$8,772.$$

For the purposes of the formula in subparagraph 4 of the third paragraph,

- (1) D is the percentage that corresponds to the extent to which the tax was paid at the rate of 9.5%; and
- (2) E is the percentage that corresponds to the extent to which the tax was paid at the rate of 9.975%.

This section applies in respect of

- (1) the taxable supply made under an agreement in writing relating to the construction or substantial renovation of a single unit residential complex or a residential unit held in co-ownership, if the agreement in writing is entered into after 31 December 2010; or
- (2) the construction or substantial renovation of a single unit residential complex or a residential unit held in co-ownership that the particular individual carries on himself or herself, if the permit relating to the construction or substantial renovation is issued after 31 December 2010.

2011, c. 1, s. 150; 2011, c. 6, s. 276; 2012, c. 28, s. 130.

**370.11.** For the purposes of section 370.9, a particular individual is deemed to have constructed a mobile home or floating home and to have substantially completed the construction immediately before the earlier of the times referred to in paragraph 3, if

- (1) the particular individual brings into Québec or receives a supply by way of sale of a mobile home or floating home that has never been used or occupied by any individual as a place of residence or lodging and does not file with the Minister, or submit to the supplier, an application for a rebate in respect of the home under subdivision II or II.1;
- (2) the particular individual is acquiring or bringing into Québec the mobile home or floating home for use as the primary place of residence of the particular individual, an individual related to the particular individual or a former spouse of the particular individual; and
- (3) the first individual to occupy the mobile home or floating home at any time is the particular individual, an individual related to the particular individual or a former spouse of the particular individual, or the particular individual at any time transfers ownership of the home under an agreement for an exempt supply by way of sale of the home.

In the case of a mobile home or floating home brought into Québec by the individual, any occupation or use of the home outside Québec is deemed not to be occupation or use of the home.

1995, c. 1, s. 323; 1997, c. 85, s. 658.

**370.12.** An individual is entitled to the rebate under section 370.9 in respect of a residential complex only if the individual files an application for the rebate on or before

- (1) the day that is two years after the earliest of

(a) the day that is two years after the day the residential complex is first occupied in the manner described in subparagraph *a* of paragraph 3 of section 370.9;

(b) the day ownership of the residential complex is transferred as described in subparagraph *b* of paragraph 3 of section 370.9; and

(c) the day construction or substantial renovation of the residential complex is substantially completed; or

(2) any day after the day provided for in paragraph 1 as the Minister may determine.

1995, c. 1, s. 323; 1997, c. 85, s. 659; 2009, c. 5, s. 646.

**370.13.** An individual who is not entitled to a rebate under section 370.9 in respect of the construction or substantial renovation of a residential complex because the fair market value of the residential complex is greater than or equal to the limit referred to in paragraph 1 of section 370.9, but who is entitled to a rebate under subsection 2 of section 256 of the Excise Tax Act (R.S.C. 1985, c. E-15) in respect of the construction or substantial renovation of the complex, is entitled to a rebate of the tax under section 16 that, if applicable, was paid in respect of the amount of the rebate to which the individual is entitled in respect of the construction or substantial renovation of the complex under that subsection 2.

1995, c. 1, s. 323; 2001, c. 51, s. 291; 2011, c. 1, s. 151; 2012, c. 28, s. 131.

### III. —

*Repealed, 1993, c. 19, s. 226.*

1993, c. 19, s. 226.

### **371.** *(Repealed).*

1991, c. 67, s. 371; 1993, c. 19, s. 226.

### **372.** *(Repealed).*

1991, c. 67, s. 372; 1993, c. 19, s. 226.

### **373.** *(Repealed).*

1991, c. 67, s. 373; 1993, c. 19, s. 226.

### **374.** *(Repealed).*

1991, c. 67, s. 374; 1993, c. 19, s. 226.

### IV. —

*Repealed, 1993, c. 19, s. 226.*

1993, c. 19, s. 226.

### **375.** *(Repealed).*

1991, c. 67, s. 375; 1993, c. 19, s. 226.

### **376.** *(Repealed).*

1991, c. 67, s. 376; 1993, c. 19, s. 226.

**377.** *(Repealed).*

1991, c. 67, s. 377; 1993, c. 19, s. 226.

**378.** *(Repealed).*

1991, c. 67, s. 378; 1993, c. 19, s. 226.

**IV.1.** — *Supply of land*

1994, c. 22, s. 573.

**378.1.** Subject to section 378.3, each person (in this subdivision referred to as the “landlord”) who is an owner or lessee of land and is not the particular lessee and who makes an exempt supply of land described in section 99 or 99.0.1 to a particular lessee who is acquiring the land for the purpose of making a supply of an immovable or service that includes the land or a supply of a lease, licence or similar arrangement in respect of an immovable that includes the land, is entitled to a rebate determined in accordance with section 378.2 if

(1) the supply is an exempt supply of an immovable or service, other than a supply that is exempt only because of paragraph 2 of section 98, that

(a) includes giving possession or use of a residential complex, or of a residential unit forming part of a residential complex, to another person under a lease, licence or similar arrangement entered into for the purpose of its occupancy by an individual as a place of residence or lodging, or

(b) is described in section 100, other than an exempt supply described in subparagraph 1 of the first paragraph of that section made to a person described in subparagraph *b* of that subparagraph 1; and

(2) as a result of the supply, the particular lessee is deemed under any of sections 222.1 to 222.3 and 223 to 231.1 to have made a supply of an immovable that includes the land at a particular time.

1994, c. 22, s. 573; 2001, c. 53, s. 358; 2009, c. 15, s. 512.

**378.2.** For the purposes of section 378.1, the rebate to which a landlord is entitled in respect of the exempt supply of land described in section 99 is determined by the formula

$A - B.$

For the purposes of this formula,

(1) *A* is the total of the tax that, before the particular time, became or would, but for sections 75.1 and 80, have become payable by the landlord in respect of the last acquisition of the land by the landlord and the tax that was payable by the landlord in respect of improvements to the land that were acquired or brought into Québec by the landlord after the land was last so acquired and that were used, before the particular time, in the course of improving the immovable that includes the land; and

(2) *B* is the total of the input tax refund and all other rebates that the landlord was entitled to claim in respect of any amount included in the total referred to in subparagraph 1.

1994, c. 22, s. 573; 2001, c. 53, s. 359.

**378.3.** A rebate shall not be paid under section 378.1 to a landlord in respect of a supply of the land made to a person who will be deemed under any of sections 222.1 to 222.3 and 223 to 231.1 to have made on a

particular day another supply of the immovable that includes the land, unless the landlord files an application for the rebate on or before the day that is two years after the particular day.

1994, c. 22, s. 573; 1997, c. 85, s. 660.

#### IV.2. — *Supply of a residential complex leased for residential purposes*

2003, c. 2, s. 339.

### **378.4.** For the purposes of this subdivision,

“first use”, in respect of a residential unit, means the first use of the unit after the construction or last substantial renovation of the unit or, in the case of a unit that is situated in a multiple unit residential complex, of the complex or addition to the complex in which the residential unit is situated, is substantially completed;

“percentage of total floor space”, in respect of a residential unit forming part of a residential complex or part of an addition to a multiple unit residential complex, means the proportion expressed as a percentage that the total square metres of floor space occupied by the unit is of the total square metres of floor space occupied by all of the residential units in the residential complex or addition, as the case may be;

“qualifying residential unit” of a person, at a particular time, means

(1) a residential unit of which, at or immediately before the particular time, the person is the owner, a co-owner, a lessee or a sub-lessee or has possession as purchaser under an agreement of purchase and sale, or a residential unit that is situated in a residential complex of which the person is, at or immediately before the particular time, a lessee or a sub-lessee, where

(a) at the particular time, the unit is a self-contained residence,

(b) the person holds the unit

i. for the purpose of making exempt supplies referred to in any of sections 97.1, 99, 99.0.1 and 100,

i.1. for the purpose of making exempt supplies of properties or services that include giving possession or use of the residential unit to a person under a lease, licence or similar arrangement to be entered into for the purpose of its occupancy by an individual as a place of residence, or

ii. where the complex in which the unit is situated includes one or more other residential units that would be qualifying residential units of the person, for use as the primary place of residence of the person,

(c) it is the case, or can reasonably be expected by the person at the particular time to be the case, that the first use of the unit is or will be

i. as the primary place of residence of the person, an individual who is related to the person or a former spouse of the person, or of a lessor of the complex, an individual who is related to the lessor or a former spouse of the lessor, for a period of at least one year or for a shorter period where the next use of the unit after that shorter period is as described in subparagraph ii, or

ii. as a place of residence of individuals, each of whom is given continuous occupancy of the unit, under one or more leases, for a period, throughout which the unit is used as the primary place of residence of that individual, of at least one year or for a shorter period ending when the unit is sold to a recipient who acquires the unit for use as the primary place of residence of the recipient, an individual who is related to the recipient or a former spouse of the recipient, or the unit is taken for use as the primary place of residence of the person, an individual who is related to the person or a former spouse of the person, or of a lessor of the complex, an individual who is related to the lessor or a former spouse of the lessor, and

(d) except where the residential unit is used, in circumstances where subparagraph ii of subparagraph c applies, as the primary place of residence of the person, an individual who is related to the person or a former spouse of the person, or of a lessor of the complex, an individual who is related to the lessor or a former

spouse of the lessor, where, at the particular time, the person intends that, after the unit is used as described in subparagraph *c* the person will occupy it for the person's own use or the person will supply it by way of lease as a place of residence or lodging for an individual who is related to the person or a former spouse of the person, or a shareholder, member or partner of, or not dealing at arm's length with, the person, the person can reasonably expect that the unit will be the primary place of residence of the person or of that individual; or

(2) a prescribed residential unit of the person;

“self-contained residence” means a residential unit

(1) that is a room or suite in an inn, a hotel, a motel, a boarding house or a lodging house or in a residence for students, seniors, individuals with a disability or other individuals; or

(2) that contains private kitchen facilities, a private bath and a private living area.

2003, c. 2, s. 339; 2009, c. 15, s. 513.

**378.5.** For the purposes of this subdivision, a reference to a “lease” shall be read as a reference to a “lease, licence or similar arrangement”.

2003, c. 2, s. 339.

**378.6.** Subject to sections 378.16 and 378.17, a person, other than a cooperative housing corporation, is entitled to a rebate as determined under section 378.7, where

(1) the person is

(a) the recipient of a taxable supply by way of sale (in this section and section 378.7 referred to as the “purchase from the supplier”) from another person of a residential complex or of an interest in a residential complex and is not a builder of the complex, or

(b) the builder of a residential complex, or of an addition to a multiple unit residential complex, that gives possession or use of a residential unit in the residential complex or addition to another person under a lease, licence or similar arrangement entered into for the purpose of its occupancy by an individual as a place of residence that results in the person being deemed under any of sections 223 to 231.1 to have made and received a taxable supply by way of sale (in this section and section 378.7 referred to as the “deemed purchase”) of the complex or addition;

(2) at a particular time, tax first becomes payable in respect of the purchase from the supplier or tax in respect of the deemed purchase is deemed to have been paid by the person;

(3) at the particular time, the complex or addition, as the case may be, is a qualifying residential unit of the person or includes one or more qualifying residential units of the person; and

(4) the person is not entitled to include the tax in respect of the purchase from the supplier, or the tax in respect of the deemed purchase, in determining an input tax refund of the person.

2003, c. 2, s. 339; 2009, c. 15, s. 514.

**378.7.** For the purposes of section 378.6, the rebate to which the person is entitled is equal to the total of all amounts each of which is an amount, in respect of a residential unit that forms part of the residential complex or addition, as the case may be, and is a qualifying residential unit of the person at the particular time, determined by the formula

$$A \times (\$225,000 - B) / \$25,000.$$

For the purposes of the formula in the first paragraph,

(1) A is the lesser of \$7,182 and the amount determined by the formula

$36\% \times (A_1 \times A_2)$ ; and

(2) B is the greater of \$200,000 and

(a) if the unit is a single unit residential complex or a residential unit held in co-ownership, the fair market value of the unit at the particular time, and

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

$B_1 \times B_2$ ;

(3) *(subparagraph repealed)*.

For the purposes of the formulas in the second paragraph,

(1)  $A_1$  is the total tax under section 16 that is payable in respect of the purchase from the supplier or is deemed to have been paid in respect of the deemed purchase;

(2)  $A_2$  is

(a) if the unit is a single unit residential complex or a residential unit held in co-ownership, 1, and

(b) in any other case, the unit's percentage of total floor space;

(3)  $B_1$  is the unit's percentage of total floor space; and

(4)  $B_2$  is the fair market value at the particular time of the residential complex or addition, as the case may be;

(5) *(subparagraph repealed)*.

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2003, c. 2, s. 339; 2007, c. 12, s. 333; 2009, c. 5, s. 647; 2010, c. 5, s. 238; 2011, c. 6, s. 277; 2012, c. 28, s. 132.

**378.8.** Subject to sections 378.16 and 378.17, a person, other than a cooperative housing corporation, is entitled to a rebate as determined under section 378.9, where

(1) the person is a builder of a residential complex or of an addition to a multiple unit residential complex and the person makes

(a) an exempt supply by way of sale, referred to in section 97.1, of a building or part of a building, and

(b) an exempt supply, referred to in section 100, of land by way of lease or by way of assignment of a lease in respect of land;

(2) the lease provides for continuous possession or use of the land for a period of at least 20 years or it contains an option to purchase the land;

(3) those supplies result in the person being deemed under any of sections 223 to 231.1 to have made and received a taxable supply by way of sale of the complex or addition and to have paid tax at a particular time in respect of that supply;

(4) in the case of a multiple unit residential complex or an addition to such a complex, the complex or addition, as the case may be, includes, at the particular time, one or more qualifying residential units of the person;

(5) the person is not entitled to include the tax deemed to have been paid by the person in determining an input tax refund of the person; and

(6) in the case of an exempt supply by way of sale of a single unit residential complex or a residential unit held in co-ownership, the recipient of that supply is entitled to claim a rebate under section 370.0.1 in respect of the complex or unit.

2003, c. 2, s. 339; 2012, c. 28, s. 133.

**378.9.** For the purposes of section 378.8, the rebate to which the person is entitled is equal to the total of all amounts each of which is an amount, in respect of a residential unit that forms part of the complex or addition, as the case may be, and is, in the case of a multiple unit residential complex or an addition to such a complex, a qualifying residential unit of the person at the particular time, determined by the formula

$$[A \times (\$225,000 - B) / \$25,000] - C.$$

For the purposes of the formula in the first paragraph,

(1) A is the lesser of \$7,182 and the amount determined by the formula

$$36\% \times (A_1 \times A_2);$$

(2) B is the greater of \$200,000

(a) if the unit is a single unit residential complex or a residential unit held in co-ownership, the fair market value of the unit at the particular time, and

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

$$B_1 \times B_2; \text{ and}$$

(3) *(subparagraph repealed);*



(4) C is the amount of the rebate under section 370.0.2 that the recipient of the exempt supply by way of sale is entitled to claim in respect of the complex or unit.

For the purposes of the formulas in the second paragraph,

(1) A<sub>1</sub> is the tax under section 16 that is deemed to have been paid by the person at the particular time in respect of the residential complex or addition;

(2) A<sub>2</sub> is

(a) if the unit is a single unit residential complex or a residential unit held in co-ownership, 1, and

(b) in any other case, the unit's percentage of total floor space;

(3) B<sub>1</sub> is the unit's percentage of total floor space; and

(4) B<sub>2</sub> is the fair market value at the particular time of the residential complex or addition, as the case may be;

(5) *(subparagraph repealed)*.

2003, c. 2, s. 339; 2007, c. 12, s. 334; 2009, c. 5, s. 648; 2010, c. 5, s. 239; 2011, c. 6, s. 278; 2012, c. 28, s. 134.

**378.10.** Subject to sections 378.16 and 378.17, a cooperative housing corporation is entitled to a rebate as determined under section 378.11, where

(1) the cooperative is

(a) the recipient of a taxable supply by way of sale (in this section and section 378.11 referred to as the "purchase from the supplier") from another person of a residential complex or of an interest in a residential complex and is not a builder of the complex, or

(b) a builder of a residential complex, or of an addition to a multiple unit residential complex, who makes an exempt supply by way of lease referred to in section 98 that results in the cooperative being deemed under any of sections 223 to 231.1 to have made and received a taxable supply by way of sale (in this section and section 378.11 referred to as the "deemed purchase") of the complex or addition and to have paid tax in respect of that supply;

(2) the cooperative is not entitled to include the tax in respect of the purchase from the supplier, or the tax in respect of the deemed purchase, in determining an input tax refund of the cooperative; and

(3) at any time at which a residential unit included in the complex is a qualifying residential unit of the cooperative, the cooperative first gives occupancy of the unit after its construction or last substantial renovation under an agreement for a supply of that unit that is an exempt supply referred to in section 98.

2003, c. 2, s. 339.

**378.11.** For the purposes of section 378.10, the rebate to which the cooperative housing corporation is entitled in respect of a residential unit is equal to the amount determined by the formula

$$[A \times (\$225,000 - B) / \$25,000] - C.$$

For the purposes of the formula in the first paragraph,

(1) A is the lesser of \$7,182 and the amount determined by the formula

$$36\% \times (A_1 \times A_2);$$

(2) B is the greater of \$200,000

(a) if the unit is a single unit residential complex or a residential unit held in co-ownership, the fair market value of the unit at the time tax first becomes payable in respect of the purchase from the supplier or tax in respect of the deemed purchase is deemed to have been paid by the cooperative, and

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

$$B_1 \times B_2; \text{ and}$$

(3) *(subparagraph repealed)*;

(4) C is the amount of the rebate under section 370.6 that the recipient of the exempt supply of the unit is entitled to claim in respect of the unit.

For the purposes of the formulas in the second paragraph,

(1)  $A_1$  is the total tax under section 16 that is payable in respect of the purchase from the supplier or is deemed to have been paid in respect of the deemed purchase;

(2)  $A_2$  is

(a) if the unit is a single unit residential complex, 1, and

(b) in any other case, the unit's percentage of total floor space;

(3)  $B_1$  is the unit's percentage of total floor space; and

(4)  $B_2$  is the fair market value of the residential complex at the time referred to in subparagraph *a* of subparagraph 2 of the second paragraph;

(5) *(subparagraph repealed)*.

2003, c. 2, s. 339; 2007, c. 12, s. 335; 2009, c. 5, s. 649; 2010, c. 5, s. 240; 2011, c. 6, s. 279; 2012, c. 28, s. 135.

**378.12.** Subject to sections 378.16 and 378.17, a person who makes an exempt supply of land that is a supply referred to in subparagraph 1 of the first paragraph of section 100 made to a person described in subparagraph *a* of that subparagraph 1, or that is a supply referred to in subparagraph 2 of the first paragraph of that section, of a site in a residential trailer park, and is deemed under any of sections 222.1 to 222.3, 243, 258 and 261 to have made and received a taxable supply by way of sale of the land and to have paid tax, at a particular time, in respect of that supply, is entitled to a rebate as determined under section 378.13 if the person is not entitled to include the tax deemed to have been paid by the person in determining an input tax refund of the person and in the case of an exempt supply of land described in subparagraph 1 of the first

paragraph of section 100, the residential unit that is or is to be affixed to the land is or will be so affixed for the purpose of its use and enjoyment as a primary place of residence for individuals.

2003, c. 2, s. 339.

**378.13.** For the purposes of section 378.12, the rebate to which the person is entitled is equal to the amount determined by the formula

$$(36\% \times A) \times [(\$56,250 - B)/\$6,250].$$

For the purposes of the formula,

(1) A is

(a) in the case of a taxable supply in respect of which the person is deemed to have paid tax calculated on the fair market value of the land, the tax under section 16 that is deemed to have been paid in respect of that supply, and

(b) in the case of a taxable supply in respect of which the person is deemed to have paid tax equal to the basic tax content of the land, tax equal to the basic tax content of the land at the particular time; and

(2) *(subparagraph repealed)*;

(3) B is the greater of \$50,000

(a) in the case of a supply of land referred to in subparagraph 1 of the first paragraph of section 100, the fair market value of the land at the particular time, and

(b) in the case of a supply of a site in a residential trailer park or in an addition to a residential trailer park, the result obtained by dividing the fair market value, at the particular time, of the park or addition, as the case may be, by the total number of sites in the park or addition, as the case may be, at the particular time.

2003, c. 2, s. 339; 2012, c. 28, s. 136.

**378.14.** *(Repealed)*.

2003, c. 2, s. 339; 2012, c. 28, s. 137.

**378.15.** *(Repealed)*.

2003, c. 2, s. 339; 2012, c. 28, s. 138.

**378.15.1.** For the purpose of determining the amount of a particular rebate in respect of a residential complex, an interest in a residential complex or an addition to a multiple unit residential complex payable to a person under sections 378.6 to 378.11, the total amount of the tax under section 16 included in the calculation made under the formula in those sections is to be reduced by the total of all rebates payable to the person under sections 670.1 to 670.87 in respect of the residential complex, interest or addition, if the person

(1) was not entitled to the particular rebate under sections 378.4 and 378.6 as they read before 26 February 2008; and

(2) is entitled to the particular rebate under sections 378.4 and 378.6.

2009, c. 15, s. 515.

**378.16.** A person is not entitled to the rebate under this subdivision IV.2 unless

- (1) the person files an application for the rebate within two years after
  - (a) in the case of a rebate under section 378.10, the end of the month in which the person makes the exempt supply referred to in subparagraph *b* of paragraph 1 of that section,
  - (b) in the case of a rebate under section 378.12, the end of the month in which the tax referred to in that section is deemed to have been paid by the person, and
  - (c) in any other case of a rebate in respect of a residential unit, the end of the month in which tax first becomes payable by the person, or is deemed to have been paid by the person, in respect of the unit or interest in the unit or in respect of the residential complex or addition, or interest therein, in which the unit is situated;
- (2) if the rebate is in respect of a taxable supply received by the person from another person, the person has paid all of the tax payable in respect of that supply; and
- (3) if the rebate is in respect of a taxable supply in respect of which the person is deemed to have collected tax in a reporting period of the person, the person has reported the tax in the person's return under Chapter VIII for the reporting period and has remitted all net tax remittable, if any, as reported in that return.

2003, c. 2, s. 339.

**378.17.** For the purposes of this subdivision IV.2, the following rules apply:

- (1) if, at a particular time, substantially all of the residential units in a multiple unit residential complex containing 10 or more residential units are residential units in respect of which the condition mentioned in subparagraph *c* of paragraph 1 of the definition of “qualifying residential unit” in section 378.4 is satisfied, all of the residential units in the complex are deemed to be residential units in respect of which that condition is satisfied at that time; and
- (2) except in the case of residential units referred to in paragraph 1 of the definition of “self-contained residence” in section 378.4,
  - (a) the two residential units that are located in a multiple unit residential complex containing only those two residential units are deemed to together form a single residential unit, and the complex is deemed to be a single unit residential complex and not to be a multiple unit residential complex, and
  - (b) if a residential unit (in this subparagraph referred to as a “specified unit”) in a building affords direct internal access with or without the use of a key or similar device to another area of the building that is all or part of the living area of another residential unit, the specified unit is deemed to be part of the other residential unit and not to be a separate residential unit.

2003, c. 2, s. 339.

**378.18.** No rebate shall be paid to a person under this subdivision IV.2 if all or part of the tax included in determining the rebate would otherwise be included in determining a rebate of the person under any of sections 362.2 to 370, 370.9 to 370.13 and 378.1 to 378.3 or any section of subdivision 5.

In addition, any amount of tax that the person, because of an Act of the Legislature of Québec, other than this Act, or an Act of the Parliament of Canada or any other rule of law, is not required to pay or remit, or is entitled to recover by way of a rebate, remission or compensation, shall not be included in determining the rebate under this subdivision IV.2.

2003, c. 2, s. 339; 2005, c. 38, s. 373; 2015, c. 21, s. 706.

**378.19.** A person who was entitled to claim a rebate under section 378.6 or 378.14, as it read before being repealed, in respect of a qualifying residential unit other than a unit located in a multiple unit residential complex and who, within one year after the unit is first occupied as a place of residence after the construction or last substantial renovation of the unit was substantially completed, makes a supply by way of sale, other than a supply deemed under sections 298 to 301.3 or 320 to 324.6 to have been made, of the unit to a purchaser who is not acquiring the unit for use as the primary place of residence of the purchaser, an individual who is related to the purchaser or a former spouse of the purchaser, shall pay to the Minister an amount equal to the rebate, plus interest at the rate prescribed in section 28 of the Tax Administration Act (chapter A-6.002), calculated on that amount for the period beginning on the day the rebate is paid to the person or applied to a liability of the person and ending on the day the amount of the rebate is paid by the person to the Minister.

2003, c. 2, s. 339; 2010, c. 31, s. 175; 2012, c. 28, s. 139.

*V. — Supply of an immovable by a non-registrant*

**379.** Subject to sections 379.1 and 380, a person who is not a registrant and who makes a taxable supply by way of sale of an immovable is entitled to a rebate equal to the lesser of

- (1) the basic tax content of the immovable at the time of the supply; and
- (2) the tax that is or would be, but for sections 75.1, 75.3 to 75.9 and 80, payable in respect of the taxable supply.

1991, c. 67, s. 379; 1994, c. 22, s. 574; 1997, c. 85, s. 660; 2007, c. 12, s. 336; 2009, c. 5, s. 650.

**379.1.** If the taxable supply referred to in section 379 is made at a particular time by a public sector body to a person with whom the public sector body is not dealing at arm's length, the rebate under that section must not exceed the lesser of

- (1) the basic tax content of the immovable at that time; and
- (2) the amount determined by the formula

$$A / B \times C.$$

For the purposes of the formula,

- (1) A is the basic tax content of the immovable at that time;
- (2) B is the amount that would be the basic tax content of the immovable at that time if that amount were determined without reference to the total of the amounts used for B in paragraph 2 of the definition of "basic tax content" in section 1; and
- (3) C is the tax that is or would be, but for sections 75.1 and 80, payable in respect of the taxable supply.

2007, c. 12, s. 337.

**380.** A rebate under section 379 shall not be paid to a person in respect of a supply by way of sale of an immovable by the person unless the person files an application for the rebate within two years after the day the consideration for the supply became due or was paid without having become due.

1991, c. 67, s. 380; 1997, c. 85, s. 660.

**380.1.** Where, for the purpose of satisfying in whole or in part a debt or obligation owing by a person (in this section referred to as the “debtor”), a creditor exercises a right under an Act of the Legislature of Québec, another province, the Northwest Territories, the Yukon Territory or Nunavut, or of the Parliament of Canada or an agreement relating to a debt security to cause the supply of an immovable and, under the Act or the agreement, the debtor has a right to redeem the immovable, the following rules apply:

(1) the debtor is not entitled to claim a rebate under section 379 in respect of the immovable unless the time limit for redeeming the immovable has expired and the debtor has not exercised the debtor’s right of redemption; and

(2) where the debtor is entitled to claim the rebate, consideration for the supply is deemed, for the purposes of section 380, to have become due on the day on which the time limit for redeeming the immovable expires.

1997, c. 85, s. 661; 2003, c. 2, s. 340.

**380.2.** Subject to section 380.3, a person that is a municipality or is designated to be a municipality for the purposes of subdivision 5, that is not a registrant and that makes, at any time, a taxable supply by way of sale of movable property that is capital property of the person (other than property of a person designated to be a municipality for the purposes of that subdivision that is not designated municipal property) is entitled to a rebate equal to the lesser of

(1) the basic tax content of the property at that time; and

(2) the amount that corresponds to the tax payable in respect of the taxable supply or that would so correspond but for sections 75.1 and 80.

2015, c. 21, s. 707.

**380.3.** A person is entitled to the rebate provided for in section 380.2 only if the person files an application for a rebate within two years after the day on which consideration for the supply became due or was paid without having become due.

2015, c. 21, s. 707.

**380.4.** Where, for the purpose of satisfying in whole or in part a debt or obligation owing by a person (in this section referred to as the “debtor”), a creditor exercises a right under an Act of the Legislature of Québec, another province, the Northwest Territories, the Yukon Territory or Nunavut, or of the Parliament of Canada or an agreement relating to a debt security to cause the supply of movable property and, under the Act or the agreement, the debtor has a right to redeem the property, the following rules apply:

(1) the debtor is not entitled to claim a rebate under section 380.2 in respect of the property unless the time limit for redeeming the property has expired and the debtor has not exercised the debtor’s right of redemption; and

(2) where the debtor is entitled to claim a rebate, the consideration for the supply is deemed, for the purposes of section 380.3, to have become due on the day on which the time limit for redeeming the property expires.

2015, c. 21, s. 707.

#### § 4. — *Legal aid*

**381.** Subject to section 382, a corporation responsible for the administration of legal aid under the Act respecting legal aid and the provision of certain other legal services (chapter A-14) that pays tax in respect of a taxable supply of professional legal aid service is entitled to a rebate of the tax paid by the corporation in

respect of the supply and shall not be entitled to any other rebate under this division in respect of tax on that supply.

1991, c. 67, s. 381; 2010, c. 12, s. 34.

**382.** A corporation referred to in section 381 is not entitled to a rebate under that section in respect of tax paid by the corporation unless the corporation files with the Minister an application for the rebate within four years after the end of the reporting period of the corporation in which the tax became payable.

1991, c. 67, s. 382.

§ 4.1. — *Qualifying motor vehicles*

2001, c. 53, s. 360.

**382.1.** For the purposes of this subdivision, “qualifying motor vehicle” means a motor vehicle that is equipped with a device designed exclusively to assist in placing a wheelchair in the vehicle without having to collapse the wheelchair or with an auxiliary driving control to facilitate the operation of the vehicle by an individual with a disability.

2001, c. 53, s. 360; 2009, c. 5, s. 651.

**382.2.** The recipient is entitled to a rebate of that portion of the total tax payable in respect of the supply of a qualifying motor vehicle that is equal to tax calculated on the portion (in this section referred to as the “certified amount of the purchase price”) of the consideration for the supply that can reasonably be attributed to special features that have been incorporated into, or adaptations that have been made to, the vehicle for the purpose of its use by or in transporting an individual using a wheelchair or to equip the vehicle with an auxiliary driving control that facilitates the operation of the vehicle by an individual with a disability if

- (1) *(paragraph repealed)*;
- (2) the recipient has paid all tax payable in respect of the supply;
- (3) the supplier identifies in writing to the recipient the certified amount of the purchase price of the vehicle; and
- (4) the recipient files with the Minister an application for a rebate within four years after the first day on which any tax in respect of the supply becomes payable.

2001, c. 53, s. 360; 2009, c. 5, s. 652.

**382.3.** A registrant who has made a taxable supply by way of sale of a qualifying motor vehicle may pay to or credit in favour of the recipient the amount of the rebate under section 382.2 if

- (1) tax under section 16 has been paid or becomes payable in respect of the supply; and
- (2) the recipient submits to the registrant, within four years after the first day on which any tax in respect of the supply becomes payable, an application for the rebate to which the recipient would be entitled under section 382.2 in respect of the vehicle if the recipient had paid all tax payable in respect of the supply and applied for the rebate in accordance with that section.

However, if the supply is a supply by way of retail sale of a motor vehicle other than a supply made following the exercise by the recipient of a right to acquire the vehicle, conferred on the recipient under an agreement in writing for the lease of the vehicle entered into with the registrant, the registrant may deduct the amount applied for by the recipient as a rebate for the amount of the tax payable which the recipient must indicate for the purposes of section 425.1.

2001, c. 53, s. 360.

**382.4.** If an application of a recipient for a rebate under section 382.2 is submitted to a registrant in the circumstances described in section 382.3, the following rules apply:

(1) the registrant shall transmit the application to the Minister with the registrant's return filed under Chapter VIII for the reporting period in which an amount on account of the rebate is paid or credited by the registrant to or in favour of the recipient or, in the case referred to in the second paragraph of section 382.3, for the reporting period that includes the delivery of the motor vehicle to the recipient; and

(2) notwithstanding section 28 of the Tax Administration Act (chapter A-6.002), interest is not payable in respect of the rebate.

2001, c. 53, s. 360; 2010, c. 31, s. 175.

**382.5.** If, under section 382.3, a registrant pays to or credits in favour of a recipient an amount on account of a rebate and the registrant knows or ought to know that the recipient is not entitled to the rebate or that the amount paid or credited exceeds the rebate to which the recipient is entitled, the registrant and the recipient are solidarily liable to pay to the Minister the amount that was paid or credited on account of the rebate or the excess amount, as the case may be.

2001, c. 53, s. 360.

**382.6.** The recipient is entitled to a rebate of that portion of the total tax payable under section 17 in respect of a qualifying motor vehicle that is equal to tax calculated on the portion (in this section referred to as the "certified amount of the purchase price") of the value of the vehicle, within the meaning of section 17, that can reasonably be attributed to special features that have been incorporated into, or adaptations that have been made to, the vehicle for the purpose of its use by or in transporting an individual using a wheelchair or to equip the vehicle with an auxiliary driving control that facilitates the operation of the vehicle by an individual with a disability if

(1) the supply by way of sale of the vehicle is made outside Québec;

(2) the supplier identifies in writing to the recipient the certified amount of the purchase price of the vehicle;

(3) the recipient brings the vehicle into Québec;

(4) *(paragraph repealed)*;

(5) the recipient has paid all tax payable in respect of the bringing in; and

(6) the recipient files with the Minister an application for a rebate within four years after the first day on which the recipient brings the vehicle into Québec.

2001, c. 53, s. 360; 2009, c. 5, s. 653.

**382.7.** If a supplier enters into a particular agreement in writing with a recipient for the taxable supply by way of lease of a qualifying motor vehicle, the following rules apply:

(1) there shall not be included, in determining the tax payable in respect of any supply to that recipient by way of lease of the vehicle made under the particular agreement or under any agreement for the variation or renewal of that lease, the portion of the consideration for that supply that is identified in writing to the recipient by the supplier and can reasonably be attributed to special features that have been incorporated into, or adaptations that have been made to, the vehicle for the purpose of its use by or in transporting an individual using a wheelchair or to equip the vehicle with an auxiliary driving control that facilitates the operation of the vehicle by an individual with a disability; and



(2) if, at a later time, the recipient exercises an option under the particular agreement, or under an agreement for the variation or renewal of that agreement, to purchase the vehicle, the vehicle is deemed, for the purposes of sections 382.2 and 382.6, to be a qualifying motor vehicle at that later time.

2001, c. 53, s. 360; 2009, c. 5, s. 654.

§ 4.1.1. — *Motor vehicle — Modification service*

2015, c. 21, s. 708.

**382.7.1.** A person is entitled to a rebate of that portion of the total tax payable under section 17 in respect of a motor vehicle that is equal to the tax calculated on the portion of the value of the vehicle, within the meaning of section 17, that is attributable to a service (in this section referred to as the “modification service”) and to any property (other than the vehicle) supplied in conjunction with, and because of, the supply of the service, if

(1) the person acquires the modification service, performed on a motor vehicle of the person outside Québec, of specially equipping or adapting the vehicle for its use by or in transporting a person using a wheelchair, or specially equipping the vehicle with an auxiliary driving control to facilitate the operation of the vehicle by a person with a disability;

(2) the person brings the motor vehicle into Québec after the modification service is performed;

(3) the person has paid all tax payable in respect of the bringing in; and

(4) the person files with the Minister an application for a rebate within four years after the day on which the person brings the motor vehicle into Québec.

2015, c. 21, s. 708.

§ 4.2. —

*(Repealed).*

2006, c. 36, s. 289; 2021, c. 18, s. 191.

**382.8.** *(Repealed).*

2006, c. 36, s. 289; 2021, c. 18, s. 191.

**382.9.** *(Repealed).*

2006, c. 36, s. 289; 2010, c. 25, s. 247; 2021, c. 18, s. 191.

**382.10.** *(Repealed).*

2006, c. 36, s. 289; 2009, c. 5, s. 655; 2010, c. 25, s. 254; 2021, c. 18, s. 191.

**382.11.** *(Repealed).*

2006, c. 36, s. 289; 2009, c. 5, s. 656; 2010, c. 25, s. 255; 2021, c. 18, s. 191.

§ 5. — *Rebate to certain organizations*

**383.** In this subdivision,

“ancillary supply” means

(1) an exempt supply of a service of organizing or coordinating the making of facility supplies or home medical supplies in respect of which supply an amount, other than a nominal amount, is paid or payable to the supplier as medical funding, or

(2) the portion of an exempt supply, other than a facility supply, a home medical supply or a prescribed supply, of property or a service, other than a financial service, that represents the extent to which the property or service is, or is reasonably expected to be, consumed or used for making a facility supply and in respect of which portion an amount, other than a nominal amount, is paid or payable to the supplier as medical funding;

“charity” includes a non-profit organization that operates, otherwise than for profit, a health care institution within the meaning of paragraph 2 of the definition of that expression in section 108;

“claim period” of a person at any time means

(1) where the person is a registrant at that time, the reporting period of the person that includes that time; and

(2) in any other case, the period that includes that time and consists of either

(a) the first and second fiscal quarters in a fiscal year of the person, or

(b) the third and fourth fiscal quarters in a fiscal year of the person;

“external supplier” means a charity, a public institution or a qualifying non-profit organization, other than a hospital authority or a facility operator, that makes ancillary supplies, facility supplies or home medical supplies;

“facility operator” means a charity, a public institution or a qualifying non-profit organization, other than a hospital authority, that operates a qualifying facility referred to in section 385.1;

“facility supply” means an exempt supply, other than a prescribed supply, of a property or service in respect of which

(1) the property is made available, or the service is rendered, to an individual at a hospital centre or qualifying facility as part of a medically necessary process of health care for the individual for the purpose of maintaining health, preventing disease, diagnosing or treating an injury, illness or disability or providing palliative health care, which process

(a) is undertaken in whole or in part at the hospital centre or qualifying facility,

(b) is reasonably expected to take place under the active direction or supervision, or with the active involvement, of

i. a medical practitioner acting in the course of the practice of medicine,

ii. a midwife acting in the course of the practice of midwifery,

iii. a specialized nurse practitioner acting in the course of the practice of a specialized nurse practitioner, or

iv. a prescribed person acting in prescribed circumstances, and

(c) if chronic care requires the individual to stay overnight at the hospital centre or qualifying facility, requires or is reasonably expected to require that

i. a nurse be at the hospital centre or qualifying facility at all times when the individual is at the hospital centre or qualifying facility,

ii. a medical practitioner or specialized nurse practitioner be at, or be on-call to attend at, the hospital centre or qualifying facility at all times when the individual is at the hospital centre or qualifying facility,

iii. throughout the process, the individual be subject to medical management and receive a range of therapeutic health care services that includes nursing care, and

iv. it not be the case that all or substantially all of each day or part of a day during which the individual stays at the hospital centre or qualifying facility is time during which the individual does not receive therapeutic health care services referred to in subparagraph iii; and

(2) if the supplier does not operate the hospital centre or qualifying facility, an amount, other than a nominal amount, is paid or payable as medical funding to the supplier;

“home medical supply” means an exempt supply, other than a facility supply or a prescribed supply, of a property or service, where

(1) the supply is made

(a) as part of a medically necessary process of health care for an individual for the purpose of maintaining health, preventing disease, diagnosing or treating an injury, illness or disability or providing palliative health care, and

(b) after a medical practitioner acting in the course of the practice of medicine, a specialized nurse practitioner acting in the course of the practice of a specialized nurse practitioner or a prescribed person acting in prescribed circumstances has identified or confirmed that it is appropriate for the process to take place at the individual’s place of residence or lodging, other than a hospital centre or qualifying facility;

(2) the property is made available, or the service is rendered, to the individual at the individual’s place of residence or lodging, other than a hospital centre or qualifying facility, on the authorization of a person who is responsible for coordinating the process and under circumstances in which it is reasonable to expect that the person will carry out that responsibility in consultation with, or with ongoing reference to instructions for the process given by, a medical practitioner acting in the course of the practice of medicine, a specialized nurse practitioner acting in the course of the practice of a specialized nurse practitioner or a prescribed person acting in prescribed circumstances;

(3) all or substantially all of the supply is of a property or service other than meals, accommodation, domestic services of an ordinary household nature, assistance with the activities of daily living and social, recreational and other related services to meet the psycho-social needs of the individual; and

(4) an amount in respect of the supply, other than a nominal amount, is paid or payable as medical funding to the supplier;

“medical funding” of a supplier in respect of a supply means a sum of money, including a forgivable loan but not including any other loan or a refund, remission or rebate of, or credit in respect of, taxes, duties or fees imposed under an Act, that is paid or payable to the supplier in respect of health care services for the purpose of financially assisting the supplier in making the supply or as consideration for the supply by

(1) a government, or

(2) a person that is a charity, a public institution or a qualifying non-profit organization

(a) one of the purposes of which is organizing or coordinating the delivery of health care services to the public, and

(b) in respect of which it is reasonable to expect that a government will be the primary source of funding for the activities of the person that are in respect of the delivery of health care services to the public during the fiscal year of the person in which the supply is made;

“medical practitioner” means a physician within the meaning of the Medical Act (chapter M-9) and includes a person who is entitled under the laws of another province, the Northwest Territories, the Yukon Territory or Nunavut to practise the profession of medicine;

“midwife” means a person who is entitled under the laws of Québec, another province, the Northwest Territories, the Yukon Territory or Nunavut to practise the profession of midwifery;

“municipality” includes

(1) a person designated by the Minister to be a municipality, but only in respect of activities, specified in the designation, that involve the making of supplies, other than taxable supplies, of municipal services by the person; and

(2) a person that was designated, before 1 January 2014, by the Minister of National Revenue to be a municipality for the purposes of section 259 of the Excise Tax Act (R.S.C. 1985, c. E-15) to the extent provided in that section, and whose designation has not been revoked;

“non-profit organization” includes a prescribed government organization;

“non-refundable input tax charged”, in respect of property or a service for a claim period of a person, means the amount, if any, by which

(1) the total (in this subdivision referred to as “the total tax charged in respect of the property or service”) of all amounts each of which is

(a) tax in respect of the supply or bringing into Québec of the property or service that became payable by the person during the period or that was paid by the person during the period without having become payable, other than tax that is deemed to have been paid by the person,

(b) tax deemed under sections 209, 223 to 231.1, 323.1, 341.1 and 341.7 to have been collected during the period by the person in respect of the property or service,

(b.1) where the person is not a charity to which section 433.2 applies, tax deemed under section 323.2 or 323.3 to have been collected during the period by the person in respect of the property or service,

(c) tax, calculated on the amount of an allowance in respect of the property or service, that is deemed under section 211 to have been paid during the period by the person,

(d) tax deemed under section 212 or 327.7 to have been paid during the period by the person in respect of the property or service, or

(e) an amount in respect of the property or service that is required under sections 210 and 341.3 to be added in determining the net tax of the person for the period; exceeds

(2) the total of all amounts each of which is included in the total determined under paragraph 1 and

(a) is included in determining an input tax refund of the person in respect of the property or service for the period,

(b) *(subparagraph repealed)*;

(c) for which it can reasonably be regarded that the person has obtained or is entitled to obtain a rebate, refund or remission under any other section of this Act or under any other Act, or

(d) is included in an amount refunded, adjusted or credited to or in favour of the person for which a credit note referred to in section 449 has been received by the person or a debit note referred to in that section has been issued by the person;

“percentage of government funding” of a person for a fiscal year of the person means the percentage determined in prescribed manner;

“qualifying funding” of the operator of a facility for all or part of a fiscal year of the operator means an ascertainable sum of money, including a forgivable loan but not including any other loan or a refund, remission or rebate of, or credit in respect of, taxes, duties or fees imposed under an Act, that is paid or payable to the operator in respect of the delivery of health care services to the public for the purpose of financially assisting in operating the facility during all or part of the fiscal year, as consideration for an exempt supply of making the facility available for use in making facility supplies at the facility during all or

part of the fiscal year or as consideration for facility supplies of property that are made available, or services that are rendered, at the facility during all or part of the fiscal year and is paid or payable by

- (1) a government, or
- (2) a person that is a charity, a public institution or a qualifying non-profit organization

(a) one of the purposes of which is organizing or coordinating the delivery of health care services to the public, and

(b) in respect of which it is reasonable to expect that a government will be the primary source of funding for the activities of the person that are in respect of the delivery of health care services to the public during the fiscal year of the person in which the supply is made;

“selected public service body” means

- (1) a hospital authority;
- (2) a school authority or university that is established and operated otherwise than for profit;
- (3) a public college that is established and operated otherwise than for profit;
- (4) *(paragraph repealed)*;
- (5) a facility operator;
- (6) an external supplier; or
- (7) a municipality;

“specified activities” means activities referred to in any of subparagraphs ii to iv of subparagraph b of paragraph 2 of section 386.2, other than activities engaged in the course of operating a hospital centre;

“specified supply” of property of a person means

(1) a taxable supply made to the person at any time after 31 December 2004, of property that was owned on that date by the person or by another person who is related to the person at that time, or

(2) a taxable supply that the person is deemed under section 275 to have made after 31 December 2004, of property that was, on that date, owned by the person or by another person who last supplied the property to the person by way of sale and who was related to the person on the day the supply by way of sale was made.

1991, c. 67, s. 383; 1994, c. 22, s. 575; 1995, c. 63, s. 439; 1997, c. 85, s. 662; 1999, c. 83, s. 317; 2001, c. 53, s. 361; 2005, c. 38, s. 374; 2007, c. 12, s. 338; 2009, c. 5, s. 657; 2010, c. 5, s. 241; 2015, c. 21, s. 709; 2015, c. 24, s. 181; 2019, c. 14, s. 551; 2024, c. 11, s. 178.

**383.1.** A person, other than a person referred to in paragraph 2 of the definition of “municipality” in section 383, that files an application with the Minister of National Revenue to be designated to be a municipality for the purposes of section 259 of the Excise Tax Act (R.S.C. 1985, c. E-15) shall, at that time, file an application with the Minister of Revenue to be designated to be a municipality in accordance with paragraph 1 of that definition for the purposes of this subdivision.

2017, c. 29, s. 253.

**384.** *(Repealed).*

1991, c. 67, s. 384; 1994, c. 22, s. 576.

**385.** For the purposes of this subdivision, a person is a qualifying non-profit organization at any time in a fiscal year of the person if, at that time, the person is a non-profit organization and the percentage of government funding of the person for the year is at least 40%.

1991, c. 67, s. 385.

**385.1.** For the purposes of this subdivision, a facility or part of a facility, other than a hospital centre, is a qualifying facility for all or part of a fiscal year of the operator of the facility or of part of the facility, if

(1) supplies of services that are ordinarily rendered during all or part of that fiscal year to the public at the facility or at part of the facility would be facility supplies if the references in the definition of “facility supply” in section 383 to “hospital centre or qualifying facility” were references to the facility or of part of the facility;

(2) an amount, other than a nominal amount, is paid or payable to the operator as qualifying funding in respect of the facility or of part of the facility for all or part of the fiscal year; and

(3) an accreditation, licence or other authorization that is recognized or provided for under a law of Québec, another province, the Northwest Territories, the Yukon Territory, Nunavut or Canada in respect of facilities where health care services are provided applies to the facility or to part of the facility during all or part of that fiscal year.

2005, c. 38, s. 375; 2015, c. 21, s. 710; 2015, c. 24, s. 182.

**386.** Subject to sections 386.2 and 387, a person who, on the last day of a claim period of the person or of the fiscal year of the person that includes that claim period, is resident in Québec and is a selected public service body, a charity or a qualifying non-profit organization is entitled to a rebate for the claim period equal to one of the following percentages, as the case may be, of the non-refundable input tax charged in respect of property or a service, other than a prescribed property or service:

(1) 50% for a charity or a qualifying non-profit organization, unless it is a selected public service body;

(2) *(subparagraph repealed)*;

(3) 47% for a school authority, a public college or a university;

(4) 51.5% for a hospital authority, a facility operator or an external supplier;

(5) for a municipality,

(a) where the tax becomes payable after 31 December 2013 and before 1 January 2015, 62.8%; or

(b) where the tax becomes payable after 31 December 2014 or is paid before 1 January 2015 without having become payable, 50%.

This section does not apply

(1) to a person who is a prescribed registrant for the purposes of section 279;

(1.1) to a listed financial institution;

(1.2) to a person designated to be a municipality for the purposes of this subdivision;

(2) *(subparagraph repealed)*;

(3) *(subparagraph repealed)*.

1991, c. 67, s. 386; 1993, c. 19, s. 227; 1994, c. 22, s. 577; 1995, c. 63, s. 440; 1997, c. 14, s. 344; 1997, c. 85, s. 663; 2005, c. 38, s. 376; 2006, c. 13, s. 238; 2012, c. 28, s. 140; 2015, c. 21, s. 711; 2017, c. 29, s. 254.

**386.1.** *(Repealed)*.

1994, c. 22, s. 578; 1995, c. 63, s. 441; 1997, c. 85, s. 664.

**386.1.1.** Subject to sections 386.2, 386.3 and 387, a person that, on the last day of the person's claim period or of the person's fiscal year that includes that period, is resident in Québec and is designated to be a municipality for the purposes of this subdivision in respect of activities specified in the designation (in this section referred to as "specified activities") is entitled to a rebate in respect of property or a service, other than a prescribed property or service, equal to the total of all amounts each of which is an amount determined by the formula

$$A \times B \times C.$$

For the purposes of the formula in the first paragraph,

- (1) A is the percentage specified in subparagraph 5 of the first paragraph of section 386;
- (2) B is an amount that is included in the total tax charged in respect of the property or service for the claim period and that is
  - (a) an amount of tax in respect of a supply made to the person, or the bringing into Québec of the property by the person, at any time,
  - (b) an amount deemed to have been paid or collected, at any time, by the person,
  - (c) an amount that is required to be added under sections 341.2 and 341.3 in determining the net tax of the person because a division or branch of the person becomes a small supplier division at any time, or
  - (d) an amount that is required to be added under paragraph 2 of section 210 in determining the net tax of the person because the person ceases, at any time, to be a registrant; and
- (3) C is the extent, expressed as a percentage, to which the person intended, at that time, to consume, use or supply the property or service in the course of specified activities.

2015, c. 21, s. 712; 2017, c. 29, s. 255.

**386.2.** If a person is a charity, a public institution or a qualifying non-profit organization, and a selected public service body, the rebate, if any, payable to the person under section 386 or 386.1.1 in respect of property or a service for a claim period is equal to the total of

- (1) 50% of the non-refundable input tax charged in respect of the property or service for the claim period; and
- (2) the total of all amounts each of which is an amount that would be determined by the formula in section 386.1.1 in respect of the property or service for the claim period if that section applied to the person and if
  - (a) the percentage used for A in the formula in the first paragraph of section 386.1.1 were replaced by the percentage prescribed in section 386 applicable to a selected public service body that applies to the person, minus 50%,
  - (b) in the case of a person that is not designated to be a municipality for the purposes of this subdivision, the reference to specified activities in subparagraph 3 of the second paragraph of section 386.1.1 were read as a reference

i. in the case of a person that has the status of municipality under paragraph 2 of the definition of “municipality” in section 1, to activities engaged in by the person in the course of fulfilling the person’s responsibilities as a local authority,

ii. in the case of a person acting as a hospital authority, to activities engaged in by the person in the course of operating a hospital centre, in the course of operating a qualifying facility for the purpose of making facility supplies, or in the course of making facility supplies, ancillary supplies or home medical supplies,

iii. in the case of a person acting as a facility operator, to activities engaged in by the person in the course of operating a qualifying facility for the purpose of making facility supplies, or in the course of making facility supplies, ancillary supplies or home medical supplies,

iv. in the case of a person acting as an external supplier, to activities engaged in by the person in the course of making ancillary supplies, facility supplies or home medical supplies, or

v. in any other case, to activities engaged in by the person in the course of operating an elementary or secondary school, a post-secondary college or post-secondary technical institute, a recognized degree-granting institution or a college affiliated with, or research institute of, such an institution, as the case may be, and

(c) the formula were applied without reference to section 2.

1997, c. 85, s. 665; 2005, c. 38, s. 377; 2015, c. 21, s. 713; 2015, c. 24, s. 183.

**386.3.** An amount is not to be included in determining the amount referred to in the description of B in the formula in section 386.1.1 in respect of a claim period of a person to the extent that

(1) the amount is included in determining an input tax refund of the person;

(2) it can reasonably be regarded that the person has obtained or is entitled to obtain a rebate, refund, remission of or compensation for the amount under any other section of this Act or under any other Act; or

(3) the amount is included in an amount refunded, adjusted or credited to or in favour of the person for which a credit note referred to in section 449 has been received by the person or a debit note referred to in that section has been issued by the person.

2005, c. 38, s. 378; 2015, c. 21, s. 714.

**386.4.** Despite sections 386, 386.1.1 and 386.2, where a person (other than a qualifying non-profit organization or a selected public service body described in any of paragraphs 1 to 3 of the definition of that expression in section 383) is a charity for the purposes of this subdivision only because the person is a non-profit organization that operates, otherwise than for profit, one or more health care facilities within the meaning of paragraph 2 of the definition of that expression in section 108, no amount in respect of property or a service is to be included in determining a rebate to be paid under this subdivision to the person in respect of the property or service except to the extent to which the person intended, at the relevant time specified in the second paragraph, to consume, use or supply the property or service

(1) in the course of the activities engaged in by the person in the course of operating those health care facilities; or

(2) if the person is designated to be a municipality for the purposes of this subdivision in respect of activities specified in the designation, in the course of those activities.

The relevant time to which the first paragraph refers is

(1) in the case of an amount of tax in respect of a supply made to, or the bringing into Québec by, the person at any time, that time;



(2) in the case of an amount deemed to have been paid or collected at any time by the person, that time;

(3) in the case of an amount required to be added under sections 341.2 and 341.3 in determining the person's net tax as a result of a branch or division of the person becoming a small supplier division at any time, that time; and

(4) in the case of an amount required to be added under paragraph 2 of section 210 in determining the person's net tax as a result of the person ceasing, at any time, to be a registrant, that time.

2015, c. 24, s. 184.

**387.** A person is entitled to a rebate under this subdivision in respect of a claim period in its fiscal year only if the person files an application for the rebate after the first day in the fiscal year that the person is a selected public service body, charity or qualifying non-profit organization and within four years after the day that is

(1) where the person is a registrant, the day on or before which the person is required to file a return under Chapter VIII for the period; and

(2) where the person is not a registrant, the last day of the claim period.

1991, c. 67, s. 387; 1994, c. 22, s. 579; 1997, c. 85, s. 666; 2015, c. 21, s. 715.

**387.1.** If tax in respect of a supply of property or a service became payable by a person in a particular claim period of the person, the supplier did not, before the end of the last claim period of the person that ends within four years after the end of the particular claim period, charge the tax in respect of the supply, the supplier discloses in writing to the person that the Minister has assessed the supplier for that tax, and the person pays that tax after the end of that last claim period and before that tax is included in determining a rebate under sections 383 to 388 and sections 389 to 397.2, claimed by the person, the following rules apply:

(1) for the purposes of sections 383 to 388 and sections 389 to 397.2, that tax is deemed to have become payable by the person in the person's claim period in which the person pays that tax and not to have become payable in the particular claim period;

(2) the portion of the rebate of the person under sections 383 to 388 and sections 389 to 397.2 in respect of the property or service for the person's claim period in which the person pays that tax that is in excess of the amount of that rebate that would be determined without reference to this section

(a) may, notwithstanding section 388, be claimed in an application separate from the person's application for other rebates under sections 383 to 388 and sections 389 to 397.2 for that claim period, and

(b) shall not be paid to the person unless that portion is claimed in an application filed by the person on a day that is after the beginning of the person's fiscal year that includes that claim period and after the first day in that year that the person is a selected public service body, charity or qualifying non-profit organization and

i. if the person is a registrant, not later than the day on or before which the person is required to file a return under Chapter VIII for that claim period, or

ii. if the person is not a registrant, within one month after the end of that claim period; and

(3) section 387 applies in respect of the remaining portion of that rebate as if that remaining portion were in respect of a separate property or service.

2001, c. 53, s. 362; 2005, c. 38, s. 379.

**388.** Except where section 396 or 397 applies, a person shall not make more than one application for rebates under section 387 for any claim period of the person.

1991, c. 67, s. 388; 1994, c. 22, s. 579.

**388.0.1.** In the case where a rebate under section 386 or 386.1.1 in respect of property or a service for a particular claim period of a person is not claimed in an application for that period, the rebate may be claimed by the person in an application for a subsequent claim period of the person if the following conditions are met:

- (1) the rebate has not been claimed in any application for any claim period of the person;
- (2) the application for the subsequent claim period is filed by the person within two years after
  - (a) if the person is a registrant, the day on or before which the person is required to file a return under Chapter VIII for the particular claim period, and
  - (b) if the person is not a registrant, the day that is three months after the last day of the particular claim period;
- (3) the person does not, at any time throughout the period (in this section referred to as the “specified period”) beginning on the first day of the particular claim period and ending on the last day of the subsequent claim period, become or cease to be
  - (a) a charity,
  - (b) a public institution,
  - (c) a qualifying non-profit organization,
  - (d) a person designated to be a municipality, or
  - (e) one of the bodies described in the definition of “selected public service body” in section 383; and
- (4) throughout the specified period, the percentage provided for in section 386 or 386.1.1 that would be applicable in determining the amount of a rebate under this subdivision in respect of property or a service, if tax in respect of the property or service had become payable and had been paid by the person on each day in the specified period, remains constant.

2020, c. 16, s. 230.

**388.1.** A prescribed municipality is entitled to compensation, paid by the Minister at the prescribed time, in an amount equal to the amount prescribed for the years 1992 to 1996.

Such compensations are deemed to be repayments for the purposes of the Tax Administration Act (chapter A-6.002).

1993, c. 19, s. 228; 1994, c. 22, s. 579; 1995, c. 1, s. 361; 1997, c. 85, s. 667; 2010, c. 31, s. 175.

**388.2.** Ville de Montréal, in respect of a year that begins after 1996 and ends before 2017, Ville de Québec, in respect of a year that begins after 1996, and Ville de Laval, in respect of a year that begins after 2000, are entitled, in addition to the rebate provided for in section 386, to compensation paid by the Minister before 30 June each year.

For Ville de Montréal and Ville de Québec, the compensation is equal to

(1) in respect of the years 1997 to 2000, the amount prescribed for the year 1996 under section 388.1, indexed annually according to the rate of increase in personal consumer spending for recreation and entertainment in current dollars in Québec for the 12 months of the preceding year as compared with the 12 months of the year preceding that year, as determined by the Institut de la statistique du Québec;

(2) in respect of the year 2001, the amount prescribed for the year 2001;

(3) in respect of the years 2002 to 2014, the amount prescribed for the year 2001, indexed annually according to the rate referred to in subparagraph 1; and

(4) in respect of a year that begins after 2014, the amount prescribed for the year 2015.

For Ville de Laval, the compensation is equal to

(1) in respect of the years 2001 to 2003, the prescribed amount;

(2) in respect of the years 2004 to 2014, the amount prescribed for the year 2003, indexed annually according to the rate referred to in subparagraph 1 of the second paragraph; and

(3) in respect of a year that begins after 2014, the amount prescribed for the year 2015.

The compensation is deemed to be a refund for the purposes of the Tax Administration Act (chapter A-6.002).

1997, c. 14, s. 345; 1997, c. 85, s. 668; 1998, c. 44, s. 60; 2002, c. 9, s. 170; 2010, c. 31, s. 175; 2015, c. 21, s. 716; 2017, c. 29, s. 256.

**388.3.** Section 69 applies, with the necessary modifications, to determine compensation under section 388.2.

1997, c. 14, s. 345.

**388.4.** A prescribed municipality is entitled to compensation, paid by the Minister at the prescribed time, in an amount equal to the amount prescribed for the years 2007 to 2013.

Such compensations are deemed to be repayments for the purposes of the Tax Administration Act (chapter A-6.002).

2006, c. 31, s. 111; 2010, c. 31, s. 175.

**389.** A prescribed person may determine, in accordance with prescribed rules, the rebates to which the person is entitled under sections 383 to 388 and 394 to 397.2.

1991, c. 67, s. 389; 1994, c. 22, s. 579; 1997, c. 85, s. 669; 2005, c. 38, s. 380.

**390.** *(Repealed).*

1991, c. 67, s. 390; 1994, c. 22, s. 580.

**391.** *(Repealed).*

1991, c. 67, s. 391; 1994, c. 22, s. 581; 1997, c. 85, s. 670.

**392.** *(Repealed).*

1991, c. 67, s. 392; 1994, c. 22, s. 581; 1997, c. 85, s. 670.

**393.** *(Repealed).*

1991, c. 67, s. 393; 1994, c. 22, s. 581; 1997, c. 85, s. 670.

**394.** Where a selected public service body acquires or brings into Québec property or a service primarily for consumption, use or supply in the course of activities engaged in by another selected public service body, for the purpose of determining the amount of a rebate under this subdivision to the body in respect of the non-refundable input tax charged in respect of the property or service for any claim period of the body, the body is deemed to be engaged in those activities.

1991, c. 67, s. 394; 1994, c. 22, s. 581; 1997, c. 85, s. 671; 2005, c. 38, s. 381; 2015, c. 21, s. 717.

**395.** Where a person acquires or brings into Québec property or a service primarily for consumption, use or supply in the course of activities engaged in by the person acting in the capacity of a selected public service body described in any of the paragraphs of the definition of “selected public service body” in section 383, the amount of any rebate under this subdivision to the person in respect of the non-refundable input tax charged in respect of the property or service for a claim period of the person shall be determined as if the person were not a selected public service body described in any other of those paragraphs.

1991, c. 67, s. 395; 1994, c. 22, s. 581; 1997, c. 85, s. 672; 2005, c. 38, s. 382; 2015, c. 21, s. 718.

**396.** Where a person who is entitled to a rebate under this subdivision is engaged in one or more activities in separate divisions or branches and is authorized under section 475 to file separate returns under Chapter VIII in relation to a division or branch, the person

(1) shall file separate applications under section 387 in respect of the division or branch; and

(2) shall not make more than one such application in respect of the division or branch for any claim period of the person.

1991, c. 67, s. 396; 1994, c. 22, s. 581; 1997, c. 85, s. 673; 2015, c. 21, s. 719.

**397.** Where a person who has not made an application under section 474 is entitled to a rebate under this subdivision and is engaged in one or more activities in separate divisions or branches,

(1) sections 474 and 475 apply to the person as if the references therein to “commercial activities” were references to “activities”, as if the references therein to “separate returns under this chapter” and “separate returns” were references to “applications under section 387”, and as if the references therein to “registrant” were references to “person”;

(2) where, because of this section, a division or branch of the person is authorized under section 475 to file separate applications for rebates under section 387, the person shall not make more than one such application in respect of the division or branch for any claim period of the person; and

(3) where, because of this section, the person is authorized under section 475 to file separate applications for rebates under section 387 in relation to a division or branch and the person is required to file returns under Chapter VIII, the person shall file separate returns under that chapter in respect of the division or branch.

1991, c. 67, s. 397; 1994, c. 22, s. 581; 1997, c. 85, s. 674; 2015, c. 21, s. 720.

**397.1.** For the purposes of this subdivision, where a person incurs all or substantially all of the tax that is included in determining the amount of the non-refundable input tax charged in respect of property or a service for a claim period of the person acting as a hospital authority, a facility operator or an external supplier, the person is deemed to have incurred all of the tax that is included in determining that amount in the course of fulfilling the person’s responsibilities as a hospital authority, a facility operator or an external supplier, as the case may be.

2005, c. 38, s. 383; 2015, c. 21, s. 721.

**397.2.** Despite sections 386, 386.1.1 and 386.2, where a person who is a hospital authority, a facility operator or an external supplier is required to determine, under paragraph 2 of section 386.2, for the person’s claim period, a particular amount that would be determined by the formula in section 386.1.1 if that section

applied to the person, in respect of a specified supply of any property of the person made at any time for the claim period, and the value of C in subparagraph 3 of the second paragraph of that section was the extent to which the person intended, at that time, to consume, use or supply the property in the course of specified activities, the particular amount is to be determined by the formula

$$A \times [(B - C) / B].$$

For the purposes of the formula in the first paragraph,

- (1) A is the amount that would, but for this section, be determined to be the particular amount;
- (2) B is the fair market value of the property at the time of the supply; and
- (3) C is the fair market value of the property on 1 January 2005.

2005, c. 38, s. 383; 2015, c. 21, s. 722.

**397.2.1.** A municipality is not entitled to all or part of a rebate under this subdivision, or to an input tax refund, in respect of property, following a transaction, or a series of transactions pertaining to the property if

(1) the property is property in respect of which the municipality may claim a rebate under this subdivision after 31 December 2013;

(2) the property was held by the municipality before 1 January 2014; and

(3) it is reasonable to consider that one of the main reasons for the transaction or for the series of transactions was to allow the municipality to recover, directly or indirectly, all or part of the tax it paid before 1 January 2014.

For the purposes of this section, “transaction” includes an arrangement or event.

2015, c. 21, s. 723.

#### § 5.1. — *Rebate to the Royal Canadian Legion*

2012, c. 8, s. 270.

**397.3.** For the purposes of this subdivision,

“claim period” has the meaning assigned by section 383;

“Legion entity” means the Dominion Command or any provincial command or branch of the Royal Canadian Legion.

2012, c. 8, s. 270.

**397.4.** Subject to section 397.5, a Legion entity that acquires or brings into Québec a property that is a poppy or wreath is entitled to a rebate equal to the amount of tax that becomes payable, or is paid without having become payable, by the Legion entity during a claim period in respect of the acquisition or bringing in.

2012, c. 8, s. 270.

**397.5.** A Legion entity is entitled to a rebate under section 397.4 in respect of tax that becomes payable, or is paid without having become payable, by the Legion entity during a claim period only if the Legion entity files an application for the rebate within four years after the last day of the claim period.

2012, c. 8, s. 270.

**397.6.** A Legion entity must not make more than one application for rebates under this subdivision for any claim period of the Legion entity.

2012, c. 8, s. 270.

*§ 5.2. — Rebate — shipment outside Québec by a charity or a public institution*

2012, c. 8, s. 271.

**398.** Subject to section 399, where a person that is a charity or a public institution is the recipient of a supply of property or a service, has paid tax in respect of the supply and has taken or shipped the property or service outside Québec, the person is entitled to a rebate of the tax paid in respect of the supply.

1991, c. 67, s. 398; 1997, c. 85, s. 675.

**399.** A person is entitled to a rebate under section 398 in respect of a supply of property or a service only if the person files an application for the rebate within four years after the end of the fiscal year of the person in which tax in respect of the supply became payable.

1991, c. 67, s. 399; 1997, c. 85, s. 675.

*§ 5.3. — Rebate to the Gouvernement du Québec*

2012, c. 28, s. 141.

**399.1.** The Gouvernement du Québec or any of its departments or prescribed mandataries is entitled, in the manner determined by the Minister, to a rebate of the tax it paid or is required to pay under this Title, if it applies to the Minister, in the manner determined by the Minister, on or before the day that is four years after the day on which the tax was paid.

2012, c. 28, s. 141; 2015, c. 21, s. 724; 2024, c. 11, s. 179.

*§ 6. — Amount paid in error*

**400.** Subject to section 401, a person who has paid an amount as or on account of, or that was taken into account as, tax, net tax, specified net tax, penalty, interest or other obligation under this Title in circumstances where the amount was not payable or remittable by the person, whether the amount was paid by mistake or otherwise, is entitled to a rebate of that amount, except to the extent that

(1) the amount was taken into account as tax, net tax or specified net tax for a reporting period of the person and the person has been assessed for the period;

(2) the amount paid was tax, net tax, specified net tax, penalty, interest or any other amount assessed;

(3) a rebate of the amount is payable under sections 17.5 and 17.6; or

(4) the person is registered under Division I of Chapter VIII and the amount was paid to another person registered under Division II of Chapter VIII.1;

(5) the amount paid is in respect of a supply of an emission allowance, unless the person paid the amount to the Minister or unless prescribed circumstances exist or prescribed conditions are met.

1991, c. 67, s. 400; 1994, c. 22, s. 582; 2018, c. 18, s. 77; 2021, c. 14, s. 234.

**401.** A person is entitled to a rebate under section 400 in respect of an amount only if the person files an application for the rebate within two years after the day the amount was paid or remitted by the person.

1991, c. 67, s. 401; 1997, c. 85, s. 676.

**402.** Subject to sections 402.0.1 and 402.0.2, not more than one application for a rebate under section 400 may be made by a person in any calendar month.

1991, c. 67, s. 402; 1994, c. 22, s. 583.

**402.0.1.** A person may file separate applications for rebate under section 400 in respect of a division or branch where

- (1) the person is entitled to a rebate under section 400;
- (2) the person is engaged in one or more activities in separate divisions or branches; and
- (3) the person is authorized under section 475 to file separate returns under Chapter VIII in relation to a division or branch.

Not more than one application for a rebate under section 400 in respect of the division or branch may be made by the person referred to in the first paragraph in any calendar month.

1994, c. 22, s. 584.

**402.0.2.** Where a person who has not made an application under section 474 is entitled to a rebate under section 400 and is engaged in one or more activities in separate divisions or branches, the following rules apply:

(1) sections 474 and 475 apply to the person as if the references therein to “commercial activities” were references to “activities”, as if the references therein to “separate returns under this chapter” and “separate returns” were references to “applications under section 400”, and as if the references therein to “registrant” were references to “person”; and

(2) where, because of this section, the person is authorized under section 475 to file separate applications for rebates under section 400 in relation to a division or branch, not more than one application for a rebate in respect of the division or branch may be made by the person in any calendar month.

1994, c. 22, s. 584.

§ 6.1. —

*Repealed, 1995, c. 63, s. 442, s. 443.*

1993, c. 19, s. 229; 1995, c. 63, s. 442, s. 443.

**402.1.** *(Repealed).*

1993, c. 19, s. 229; 1995, c. 63, s. 442.

**402.2.** *(Repealed).*

1993, c. 19, s. 229; 1995, c. 63, s. 443.

§ 6.2. — *Used road vehicle*

1995, c. 1, s. 324.

**402.3.** Subject to section 402.5, a person is entitled to a rebate, determined in accordance with section 402.4, in respect of the tax paid by the person under section 16 in respect of a supply by way of sale of a used road vehicle that must be registered under the Highway Safety Code (chapter C-24.2) following an application by the person, or under section 17 in respect of such a vehicle brought into Québec immediately after the time of the supply by way of sale outside Québec and used within 12 months after the supply or brought into Québec by the person being a small supplier who is not a registrant or a person who is not registered under Division I of Chapter VIII in order to make a supply of the vehicle for consideration, if

(1) the vehicle is damaged or shows unusual wear at the time of the supply;

(2) the tax paid by the person was calculated on the estimated value of the vehicle for the purposes either of section 55.0.1 or of subparagraph *a* of subparagraph 2.1 or subparagraph *b* of subparagraph 2.2 of the second paragraph of section 17; and

(3) a written estimate of the vehicle or of the repairs to be carried out in respect of the vehicle, that meets the requirements of the third paragraph of section 55.0.3, is made within a reasonable time after the time of the supply.

1995, c. 1, s. 324; 1995, c. 63, s. 444; 2001, c. 51, s. 292; 2004, c. 21, s. 532; 2005, c. 23, s. 277.

**402.4.** The rebate to which a person is entitled under section 402.3 in respect of tax paid by the person for the supply or bringing into Québec of a road vehicle is equal to the amount determined by the formula

$A - B$ .

For the purposes of this formula,

(1) *A* is the tax paid by the person;

(2) *B* is the tax that would have been payable by the person if it had been calculated on the estimated value of the vehicle, for the purposes either of section 55.0.1 or of subparagraph *a* of subparagraph 2.1 or subparagraph *b* of subparagraph 2.2 of the second paragraph of section 17, reduced by

(a) the amount by which that value exceeds the value of the vehicle as shown on the written estimate referred to in paragraph 3 of section 402.3, or

(b) the amount by which the value of the repairs to be made in respect of the vehicle as shown on the written estimate referred to in paragraph 3 of section 402.3 exceeds \$500.

1995, c. 1, s. 324; 1995, c. 63, s. 445.

**402.5.** A person is not entitled to the rebate provided for in section 402.3 in respect of tax paid by the person with respect to a supply or a bringing into Québec of a road vehicle unless

(1) the person files an application for the rebate within four years after the date the tax was paid; and

(2) the application for a rebate is accompanied by the written estimate referred to in paragraph 3 of section 402.3.

1995, c. 1, s. 324.



§ 6.3. — *Automatic door openers*

2000, c. 39, s. 283.

**402.6.** A person is entitled to a rebate of the tax paid by the person in respect of the supply of an automatic door opener and installation service where the automatic door opener is acquired for the use of an individual who, because of a physical handicap, cannot gain access to the individual's residence without assistance.

2000, c. 39, s. 283.

**402.7.** A person is not entitled to the rebate provided for in section 402.6 unless

- (1) the person files an application for the rebate within four years after the date the tax was paid; and
- (2) the application for a rebate is accompanied by a medical certificate describing the individual's handicap for which the automatic door opener was acquired and indicating that the individual cannot, unassisted, gain access to the individual's residence without such a door opener.

2000, c. 39, s. 283.

§ 6.4. — *Motor vehicles*

2001, c. 51, s. 293.

**402.8.** A person who, under section 473.1.1, has paid tax under section 16 to a prescribed person or to the Minister in respect of a supply of a motor vehicle by way of retail sale is entitled, where the value of the consideration for the supply is at any time reduced for any reason, to a rebate of the amount that is the difference between the tax paid and the amount of tax payable with reference to the reduction of the consideration paid, if the person files with the Minister an application for a rebate of the amount within four years after the day tax became payable in respect of the supply.

This section does not apply where section 402.3 applies.

2001, c. 51, s. 293.

**402.9.** A supplier may pay to or credit in favour of a recipient the amount of the rebate payable to the recipient under section 402.8 where

- (1) the supplier has made a supply of the motor vehicle by way of retail sale;
- (2) the recipient assigns the rebate to the supplier in prescribed form containing prescribed information;
- (3) the recipient provides the supplier with proof of payment of the tax; and
- (4) the recipient presents to the supplier, within four years after the day tax became payable in respect of the supply, in prescribed form containing prescribed information, the application for a rebate of the tax to which the recipient is entitled under section 402.8 where the recipient had applied for the rebate in accordance with that section.

2001, c. 51, s. 293.

**402.10.** Where the supplier receives an application for a rebate under section 402.8 and pays to or credits in favour of the recipient any rebate payable to the recipient under that section in respect of the supply,

- (1) the supplier may apply for a deduction under section 455 in respect of the supply equal to the amount of the rebate payable to the recipient;

(2) the recipient is not entitled to any rebate, remission of or compensation for tax in respect of the reduction of the consideration for the value of the supply;

(3) the supplier shall keep the application for a rebate for purposes of verification by the Minister; and

(4) notwithstanding section 28 of the Tax Administration Act (chapter A-6.002), no interest is payable in respect of the rebate;

(5) the supplier shall, within a reasonable time, issue to the recipient a credit note, containing the information prescribed for the purposes of paragraph 1 of section 449, with the necessary modifications, for the amount of the refund or credit.

2001, c. 51, s. 293; 2010, c. 31, s. 175.

**402.11.** Where, under section 402.9, a supplier pays to or credits in favour of a recipient, at a particular time, an amount as a rebate and

(1) the recipient does not satisfy the conditions in this division (in this section referred to as the “eligibility conditions”) for obtaining the rebate; or

(2) the amount paid to or credited in favour of the recipient exceeds the rebate to which the recipient would have been so entitled, by a particular amount.

Subject to the third paragraph, the recipient is liable to pay to the Minister the amount or particular amount, as the case may be, as if it had been paid at the particular time to the recipient as a rebate under this division.

Where, at the particular time, the supplier knows or ought to know that the recipient does not satisfy the eligibility conditions or that the amount paid to or credited in favour of the recipient exceeds the rebate to which the recipient is entitled, the supplier and the recipient are solidarily liable to pay to the Minister the amount or particular amount, as the case may be, as if it had been paid at the particular time as a rebate under this division to the supplier and the recipient.

2001, c. 51, s. 293.

#### **§ 6.5. — *Motor vehicles shipped outside Québec***

2002, c. 9, s. 171.

**402.12.** To the extent that a person fulfils the prescribed terms and conditions, the person is entitled to a rebate of the tax paid by the person in respect of a supply by way of retail sale of a new motor vehicle acquired by the person through a mandatary who is not registered, if the person ships the vehicle outside Québec as soon as is reasonable after it is delivered to the person.

A person is entitled to the rebate under the first paragraph if the person files an application for a rebate within 12 months after the day the tax was paid.

2001, c. 51, s. 293; 2002, c. 9, s. 171.

#### **§ 6.6. — *Pension plans***

2001, c. 53, s. 363; 2011, c. 34, s. 149.

**402.13.** For the purposes of this subdivision,

“active member” has the meaning assigned by subsection 1 of section 8500 of the Income Tax Regulations (C.R.C., c. 945) made under the Income Tax Act (R.S.C. 1985, c. 1 (5th Suppl.));

“claim period” has, subject to the seventh paragraph, the meaning assigned by section 383;

“eligible amount” of a pension entity for a claim period means, subject to the second paragraph, an amount of tax, other than a recoverable amount in respect of the claim period, that

(1) became payable by the pension entity during the claim period, or was paid by the pension entity during the claim period without having become payable, in respect of the supply or bringing into Québec of a property or a service that the pension entity acquired or brought into Québec, as the case may be, for consumption, use or supply in respect of a pension plan, other than an amount of tax that

(a) is deemed to have been paid by the pension entity under this Title (other than sections 223 to 231.1),

(b) became payable, or was paid without having become payable, by the pension entity at a time when it was entitled to claim a rebate under sections 383 to 388 and 394 to 397.2, or

(c) was payable under section 16, or is deemed under sections 223 to 231.1 to have been paid, by the pension entity in respect of the taxable supply to the pension entity of a residential complex, an addition to a residential complex or land if, in respect of that supply, the pension entity was entitled to claim a rebate under subdivision IV.2 of subdivision 3 or would be so entitled after paying the tax payable in respect of that supply, or

(d) *(subparagraph repealed)*;

(2) is deemed to have been paid by the pension entity under Division I.1 of Chapter VI during the claim period;

“employee contribution” means a contribution by an employee of an employer to a pooled registered pension plan that

(1) may be deducted by the employee under paragraph *b* of section 339 of the Taxation Act (chapter I-3) in computing income; and

(2) is remitted by the employer to the administrator of the plan under a contract with the administrator in respect of all or a class of the employees of the employer;

“employer contribution” means a contribution by an employer to a pension plan that may be deducted by the employer under section 137 of the Taxation Act;

“non-qualifying pension entity” means a pension entity that is not a qualifying pension entity;

“pension rebate amount” of a pension entity of a pension plan for a claim period means the amount determined by the formula

$A \times B$ ;

“qualifying employer” of a pension plan for a calendar year means a participating employer of the pension plan that is a registrant and that

(1) where employer contributions were made to the pension plan in the preceding calendar year, made employer contributions to the pension plan in that year; and

(2) in any other case, was the employer of one or more active members of the pension plan in the preceding calendar year;

“qualifying pension entity” means a pension entity of a pension plan other than a pension plan in respect of which

(1) 10% or more of the total employer contributions in the last preceding calendar year in which employer contributions were made to the pension plan were made by listed financial institutions; or

(2) it can reasonably be expected that 10% or more of the total employer contributions in the subsequent calendar year in which employer contributions will be required to be made to the pension plan will be made by listed financial institutions;

“recoverable amount” in respect of a claim period of a person means an amount of tax

(1) that is included in determining an input tax refund of the person for the claim period;

(2) for which it can reasonably be regarded that the person has obtained or is entitled to obtain a rebate, refund, remission or compensation under a section of this Act (other than a section of this subdivision) or under any other Act; or

(3) that can reasonably be regarded as having been included in an amount adjusted, refunded or credited to or in favour of the person for which a credit note referred to in section 449 has been received by the person or a debit note referred to in that section has been issued by the person;

“tax recovery rate” of a person for a fiscal year means the lesser of

(1) 100%; and

(2) the fraction (expressed as a percentage) determined by the formula

$$(A + B)/C.$$

If a pension entity is a selected listed financial institution throughout a claim period, the eligible amount of the pension entity for the claim period is deemed to be nil.

For the purposes of the formula in the definition of “pension rebate amount” in the first paragraph,

(1) A is

(a) if the pension plan is a registered pension plan, 33%,

(b) if the pension plan is a pooled registered pension plan and either employer contributions or employee contributions were made to the pension plan in the particular calendar year that is the last calendar year ending on or before the last day of the claim period, an amount (expressed as a percentage) determined by the formula

$$33\% \times (C/D),$$

(c) if the pension plan is a pooled registered pension plan, neither employer contributions nor employee contributions were made to the pension plan in the particular calendar year that is the last calendar year ending on or before the last day of the claim period and it is reasonable to expect that employer contributions will be made to the pension plan in a subsequent calendar year, an amount (expressed as a percentage) determined for the first calendar year following the particular calendar year (in this section referred to as the “first calendar year of contribution”) in which employer contributions are reasonably expected to be made to the pension plan by the formula

$$33\% \times (E/F), \text{ or}$$

(d) if the pension plan is a pooled registered pension plan and subparagraphs *b* and *c* do not apply, 0%; and

- (2) B is the amount determined by the formula

G + H.

For the purposes of the formulas in the third paragraph,

(1) C is the total of all amounts each of which is determined for an employer that made employer contributions to the pension plan in the particular calendar year by the formula

$$C_1 + C_2;$$

- (2) D is the total of all amounts contributed to the pension plan in the particular calendar year;

(3) E is the total of all amounts each of which is determined for an employer reasonably expected to make employer contributions to the pension plan in the first calendar year of contribution by the formula

$$E_1 + E_2;$$

(4) F is the total of all amounts reasonably expected to be contributed to the pension plan in the first calendar year of contribution;

(5) G is the total of all amounts each of which is an eligible amount of the pension entity for the claim period that is described in paragraph 1 of the definition of “eligible amount” in the first paragraph; and

- (6) H is

(a) if an application for a rebate under section 402.14 for the claim period is filed in accordance with section 402.16, the total of

i. the total amount indicated on the application under section 402.16.1, and

ii. the total of all amounts each of which is an eligible amount of the pension entity for the claim period that is described in paragraph 2 of the definition of “eligible amount” in the first paragraph and in respect of which a portion of the rebate is claimed by the pension entity in accordance with subparagraph 1 of the first paragraph of section 402.16.2,

(b) if an election made under section 402.19.1 for the claim period is filed in accordance with the second paragraph of section 402.21, the total amount indicated on the election under subparagraph 3 of the second paragraph of section 402.21, or

(c) in any other case, zero.

For the purposes of the formulas in subparagraphs 1 and 3 of the fourth paragraph,

(1)  $C_1$  is the total of all amounts each of which is an employer contribution made by the employer to the pension plan in the particular calendar year;

(2)  $C_2$  is the total of all amounts each of which is an employee contribution made by an employee of the employer to the pension plan in the particular calendar year;

(3)  $E_1$  is the total of all amounts each of which is an employer contribution reasonably expected to be made by the employer to the pension plan in the first calendar year of contribution; and

(4)  $E_2$  is the total of all amounts each of which is an employee contribution reasonably expected to be made by an employee of the employer to the pension plan in the first calendar year of contribution.

For the purposes of the formula in the definition of “tax recovery rate” in the first paragraph,

(1) A is the total of all amounts each of which is

(a) if the person is a selected listed financial institution at any time in the fiscal year, an amount referred to in subparagraph i of the description of A in paragraph b of the definition of “tax recovery rate” in subsection 1 of section 261.01 of the Excise Tax Act (R.S.C. 1985, c. E-15) for a reporting period included in the fiscal year, and

(b) in any other case, an input tax refund of the person for a reporting period included in the fiscal year;

(2) B is the total of all amounts each of which is

(a) if the person is a selected listed financial institution at any time in the fiscal year, an amount referred to in subparagraph i of the description of B in paragraph b of the definition of “tax recovery rate” in subsection 1 of section 261.01 of the Excise Tax Act for a claim period included in the fiscal year, and

(b) in any other case, a rebate to which the person is entitled under sections 383 to 388 and 394 to 397.2 for a claim period included in the fiscal year; and

(3) C is the total of all amounts each of which is

(a) if the person is a selected listed financial institution at any time in the fiscal year, an amount referred to in subparagraph i in the description of C in paragraph b of the definition of “tax recovery rate” in subsection 1 of section 261.01 of the Excise Tax Act that became payable, or was paid without having become payable, by the person during the fiscal year, and

(b) in any other case, an amount of tax that became payable, or was paid without having become payable, by the person during the fiscal year.

If a particular claim period of a pension entity began before 1 January 2013 and would have included that date but for this paragraph, the following rules apply:

(1) the particular claim period is deemed to end on 31 December 2012; and

(2) the claim period that follows the particular claim period is deemed to begin on 1 January 2013 and to end on the day the particular claim period would have ended but for this paragraph.

2001, c. 53, s. 363; 2011, c. 34, s. 150; 2012, c. 28, s. 142; 2015, c. 21, s. 725; 2015, c. 36, s. 211; 2019, c. 14, s. 552; 2020, c. 16, s. 231; 2024, c. 41, s. 208.

**402.14.** A pension entity of a pension plan that is a qualifying pension entity on the last day of a claim period of the pension entity is, for the claim period, entitled to a rebate equal to the amount determined by the formula

A - B.

For the purposes of the formula in the first paragraph,

(1) A is the pension rebate amount of the pension entity for the claim period; and

(2) B is the total of all amounts each of which is an amount

(a) determined by the formula in the first paragraph of section 402.18 in respect of a qualifying employer because of an election made under that section for the claim period, or

(b) determined in accordance with subparagraph 1 of the first paragraph of section 402.19 in respect of a qualifying employer because of an election made under that section for the claim period.

2001, c. 53, s. 363; 2011, c. 34, s. 151; 2012, c. 28, s. 143.

**402.15.** *(Repealed).*

2001, c. 53, s. 363; 2003, c. 2, s. 341; 2005, c. 38, s. 384; 2011, c. 34, s. 152.

**402.16.** A pension entity is entitled to a rebate under section 402.14 for a claim period only if the pension entity files an application for the rebate within two years after the day that is

(1) if the pension entity is a registrant, the day on or before which the pension entity is required to file a return under Chapter VIII for the claim period; and

(2) in any other case, the last day of the claim period.

2001, c. 53, s. 363; 2011, c. 34, s. 153.

**402.16.1.** An application for a rebate under section 402.14 for a claim period of a pension entity must indicate the total of all amounts each of which is an eligible amount of the pension entity for the claim period (other than an eligible amount in respect of which a portion of the rebate is claimed by the pension entity in accordance with subparagraph 1 of the first paragraph of section 402.16.2)

(1) that is described in paragraph 2 of the definition of “eligible amount” in the first paragraph of section 402.13; and

(2) that the pension entity elects to include in the determination of the pension rebate amount of the pension entity for the claim period.

2020, c. 16, s. 232; 2024, c. 41, s. 209.

**402.16.2.** Where an eligible amount of a pension entity for a claim period of the pension entity is an amount of tax that is deemed to have been paid under subparagraph *a* of subparagraph 2 of the first paragraph of section 289.8.0.1 or to have become payable under section 289.8.2, the following rules apply:

(1) the portion of the rebate under section 402.14 for the claim period that is in respect of the excess pension rebate amount for the claim period in respect of the eligible amount may, despite section 402.17, be claimed in a separate application for the portion of that rebate that is in respect of the remaining pension rebate amount for the claim period provided that the application for the portion of that rebate that is in respect of that excess pension rebate amount is filed by the pension entity after the beginning of the pension entity’s fiscal year that includes the claim period and not later than

(a) if the pension entity is a registrant, the day on which the pension entity is required to file the return under Division IV of Chapter VIII for the claim period, or

(b) in any other case, the last day of the claim period; and

(2) a particular election under section 402.18 or 402.19 for the claim period that is in respect of the excess pension rebate amount for the claim period in respect of the eligible amount may be made separately from an election under section 402.18 or 402.19, as the case may be, that is in respect of the remaining pension rebate amount for the claim period provided that the portion of the rebate under section 402.14 for the claim period that is in respect of that excess pension rebate amount is claimed by the pension entity in a separate application that is filed in accordance with subparagraph 1 and the particular election is filed at the same time that the application is filed.

For the purposes of this section,

“excess pension rebate amount” for a claim period of a pension entity means, in respect of an amount of tax deemed to have been paid under subparagraph *a* of subparagraph 2 of the first paragraph of section 289.8.0.1, or to have become payable under section 289.8.2, by the pension entity during the claim period, the amount that would be the pension entity’s pension rebate amount for the claim period if the amount of tax were the only eligible amount of the pension entity for the claim period;

“remaining pension rebate amount” for a claim period of a pension entity means the amount determined by the formula

$A - B.$

For the purposes of the formula in the definition of “remaining pension rebate amount” in the second paragraph,

(1) *A* is the pension entity’s pension rebate amount for the claim period; and

(2) *B* is the total of all amounts each of which is an excess pension rebate amount for the claim period in respect of which a portion of the rebate under section 402.14 for the claim period is claimed by the pension entity in accordance with subparagraph 1 of the first paragraph.

2024, c. 41, s. 210.

**402.17.** A pension entity shall not make more than one application for a rebate under this subdivision for any claim period of the pension entity.

2001, c. 53, s. 363; 2011, c. 34, s. 153.

**402.18.** If a pension entity of a pension plan is a qualifying pension entity on the last day of a claim period of the pension entity, the pension entity makes an election for the claim period jointly with all persons that are, for the calendar year that includes the last day of the claim period, qualifying employers of the pension plan and each of those qualifying employers is engaged exclusively in commercial activities throughout the claim period, and a valid election is made for the claim period by the pension entity and those persons under subsection 5 of section 261.01 of the Excise Tax Act (R.S.C. 1985, c. E-15), each of those qualifying employers may deduct in determining its net tax for the reporting period that includes the day on which the election is filed with the Minister

(1) except in the case described in subparagraph 2, an amount determined by the formula



$A \times B$ ; and

(2) if the pension entity is a selected listed financial institution throughout the claim period, the amount determined by the formula

$C \times D \times E/F \times B$ .

For the purposes of the formulas in the first paragraph,

(1) A is the pension rebate amount of the pension entity for the claim period;

(2) B is the percentage specified for the qualifying employer in the election;

(3) C is the value of A in the formula in the definition of “provincial pension rebate amount” in subsection 1 of section 261.01 of the Excise Tax Act (R.S.C. 1985, c. E-15), determined for the claim period, or, where applicable, the value A would have in that formula for the claim period if the pension entity were a selected listed financial institution for the purposes of that Act;

(4) D is the percentage corresponding to the value C would have, as regards Québec, in the formula in subsection 2 of section 225.2 of the Excise Tax Act, determined for the taxation year in which the pension entity’s fiscal year that includes the claim period ends, if Québec were a participating province within the meaning of subsection 1 of section 123 of that Act and if, where applicable, the pension entity were a selected listed financial institution for the purposes of that Act;

(5) E is the tax rate specified in the first paragraph of section 16; and

(6) F is the tax rate specified in subsection 1 of section 165 of the Excise Tax Act.

2011, c. 34, s. 154; 2012, c. 28, s. 144; 2013, c. 10, s. 237; 2015, c. 36, s. 212.

**402.19.** If a pension entity of a pension plan is a qualifying pension entity on the last day of a claim period of the pension entity, the pension entity makes an election for the claim period jointly with all persons that are, for the calendar year that includes the last day of the claim period, qualifying employers of the pension plan and any of those qualifying employers is not engaged exclusively in commercial activities throughout the claim period, and a valid election is made for the claim period by the pension entity and those persons under subsection 6 of section 261.01 of the Excise Tax Act (R.S.C. 1985, c. E-15), the following rules apply:

(1) except in the case described in subparagraph 3,

(a) an amount (in this section referred to as a “shared portion”) is to be determined in respect of each of those qualifying employers by the formula

$A \times B \times C$ ;

(b) each of those qualifying employers may deduct, in determining its net tax for the reporting period that includes the day on which the election is filed with the Minister, the amount determined by the formula

$D \times E$ ; and

(2) *(subparagraph repealed)*;

(3) if the pension entity is a selected listed financial institution throughout the claim period, each of those qualifying employers may deduct, in determining its net tax for the reporting period that includes the day on which the election is filed with the Minister, the amount determined by the formula

$J \times K \times L/M \times B \times C \times E$ .

For the purposes of the formulas in the first paragraph,

(1) A is the pension rebate amount of the pension entity for the claim period;

(2) B is the percentage specified for the qualifying employer in the election;

(3) C is

(a) in the case where employer contributions were made to the pension plan in the calendar year that precedes the calendar year that includes the last day of the claim period (in this section referred to as the “preceding calendar year”), the amount determined by the formula

$F/G$ ,

(b) in the case where subparagraph a does not apply and at least one of the qualifying employers of the pension plan was the employer of one or more active members of the pension plan in the preceding calendar year, the amount determined by the formula

$H/I$ , and

(c) in any other case, zero;

(4) D is the shared portion in respect of the qualifying employer as determined under subparagraph 1 of the first paragraph;

(5) E is the tax recovery rate of the qualifying employer for the fiscal year of the qualifying employer that ended on or before the last day of the claim period;

(6) J is the value of A in the formula in the definition of “provincial pension rebate amount” in subsection 1 of section 261.01 of the Excise Tax Act (R.S.C. 1985, c. E-15), determined for the claim period, or, where

applicable, the value A would have in that formula for the claim period if the pension entity were a selected listed financial institution for the purposes of that Act;

(7) K is the percentage corresponding to the value C would have, as regards Québec, in the formula in subsection 2 of section 225.2 of the Excise Tax Act, determined for the taxation year in which the pension entity's fiscal year that includes the claim period ends, if Québec were a participating province within the meaning of subsection 1 of section 123 of that Act and if, where applicable, the pension entity were a selected listed financial institution for the purposes of that Act;

(8) L is the tax rate specified in the first paragraph of section 16; and

(9) M is the tax rate specified in subsection 1 of section 165 of the Excise Tax Act.

For the purposes of the formulas in the second paragraph,

(1) F is the total of all amounts each of which is

(a) an employer contribution made by the qualifying employer to the pension plan in the preceding calendar year, or

(b) an employee contribution made by an employee of the qualifying employer to the pension plan in the preceding calendar year, if the qualifying employer made employer contributions to the pension plan in the preceding calendar year;

(2) G is the total of all amounts each of which is

(a) if the pension plan is a registered pension plan, an employer contribution made to the pension plan in the preceding calendar year, or

(b) if the pension plan is a pooled registered pension plan, an amount contributed to the pension plan in the preceding calendar year;

(3) H is the number of employees of the qualifying employer in the preceding calendar year who were active members of the pension plan in that year; and

(4) I is the total number of employees of each of those qualifying employers in the preceding calendar year who were active members of the pension plan in that year.

2011, c. 34, s. 154; 2012, c. 28, s. 145; 2015, c. 36, s. 213.

**402.19.1.** If a pension entity of a pension plan is a non-qualifying pension entity on the last day of a claim period of the pension entity and the pension entity makes an election for the claim period jointly with all persons that are, for the calendar year that includes the last day of the claim period, qualifying employers of the pension plan, each of those qualifying employers may deduct in determining its net tax for the reporting period that includes the day on which the election is filed with the Minister

(1) except in the case described in subparagraph 2, the amount determined by the formula

$A \times B \times C$ ; and

(2) if the pension entity is a selected listed financial institution throughout the claim period, the amount determined by the formula

$$D \times E \times F/G \times B \times C.$$

For the purposes of the formulas in the first paragraph,

(1) A is the pension rebate amount of the pension entity for the claim period;

(2) B is

(a) in the case where employer contributions were made to the pension plan in the calendar year that precedes the calendar year that includes the last day of the claim period (in this section referred to as the “preceding calendar year”), the amount determined by the formula

H/I,

(b) in the case where subparagraph *a* does not apply and at least one of the qualifying employers of the pension plan was the employer of one or more active members of the pension plan in the preceding calendar year, the amount determined by the formula

J/K, and

(c) in any other case, zero;

(3) C is the tax recovery rate of the qualifying employer for the fiscal year of the qualifying employer that ended on or before the last day of the claim period;

(4) D is the value of A in the formula in the definition of “provincial pension rebate amount” in subsection 1 of section 261.01 of the Excise Tax Act (R.S.C. 1985, c. E-15), determined for the claim period, or, where applicable, the value A would have in that formula for the claim period if the pension entity were a selected listed financial institution for the purposes of that Act;

(5) E is the percentage corresponding to the value C would have, as regards Québec, in the formula in subsection 2 of section 225.2 of the Excise Tax Act, determined for the taxation year in which the pension entity’s fiscal year that includes the claim period ends, if Québec were a participating province within the meaning of subsection 1 of section 123 of that Act and if, where applicable, the pension entity were a selected listed financial institution for the purposes of that Act;

(6) F is the tax rate specified in the first paragraph of section 16; and

(7) G is the tax rate specified in subsection 1 of section 165 of the Excise Tax Act.

For the purposes of the formulas in the second paragraph,

(1) H is the total of all amounts each of which is

(a) an employer contribution made by the qualifying employer to the pension plan in the preceding calendar year, or

(b) an employee contribution made by an employee of the qualifying employer to the pension plan in the preceding calendar year, if the qualifying employer made employer contributions to the pension plan in the preceding calendar year;

(2) I is the total of all amounts each of which is

(a) if the pension plan is a registered pension plan, an employer contribution made to the pension plan in the preceding calendar year, or

(b) if the pension plan is a pooled registered pension plan, an amount contributed to the pension plan in the preceding calendar year;

(3) J is the number of employees of the qualifying employer in the preceding calendar year who were active members of the pension plan in that year; and

(4) K is the total of the number of employees of each of those qualifying employers in the preceding calendar year who were active members of the pension plan in that year.

2012, c. 28, s. 146; 2015, c. 36, s. 214.

**402.20.** For the purposes of sections 402.18 and 402.19, a qualifying employer of a pension plan is engaged exclusively in commercial activities throughout a claim period of a pension entity of the pension plan if

(1) in the case of a qualifying employer that is a financial institution at any time in the claim period, all of the activities of the qualifying employer for the claim period are commercial activities; and

(2) in any other case, all or substantially all of the activities of the qualifying employer for the claim period are commercial activities.

2011, c. 34, s. 154.

**402.21.** An election made under section 402.18 or 402.19 by a pension entity of a pension plan and the qualifying employers of the pension plan must

(1) be made in the prescribed form containing prescribed information;

(2) be filed by the pension entity with and as prescribed by the Minister

(a) at the same time that its application for the rebate under section 402.14 for the claim period is filed, and

(b) within two years after the day that is

i. if the pension entity is a registrant, the day on or before which the pension entity is required to file a return under Chapter VIII for the claim period, and

ii. in any other case, the last day of the claim period;

(3) in the case of an election under section 402.18, state the percentage specified for each qualifying employer, which percentage must be equal to the percentage specified for that employer in the valid election under subsection 5 of section 261.01 of the Excise Tax Act (R.S.C, 1985, c. E-15) for the claim period; and

(4) in the case of an election under section 402.19, state the percentage specified for each qualifying employer, which percentage must be equal to the percentage specified for that employer in the valid election under subsection 6 of section 261.01 of the Excise Tax Act for the claim period.

An election made under section 402.19.1 by a pension entity of a pension plan and the qualifying employers of the pension plan must

- (1) be made in the prescribed form containing prescribed information;
- (2) be filed by the pension entity with and as prescribed by the Minister, within two years after the day that is
  - (a) if the pension entity is a registrant, the day on or before which the pension entity is required to file a return under Chapter VIII for the claim period, and
  - (b) in any other case, the last day of the claim period; and
- (3) indicate the total of all amounts each of which is an eligible amount of the pension entity for the claim period
  - (a) that is described in paragraph 2 of the definition of “eligible amount” in the first paragraph of section 402.13, and
  - (b) that the pension entity elects to include in the determination of the pension rebate amount of the pension entity for the claim period.

Not more than one election under section 402.19.1 may be filed for a claim period.

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2011, c. 34, s. 154; 2015, c. 36, s. 215; 2017, c. 1, s. 449; 2020, c. 16, s. 233.

**402.22.** Where a qualifying employer of a pension plan makes a joint election with the pension entity of the pension plan and the qualifying employer deducts an amount under section 402.18, subparagraph 1 or 3 of the first paragraph of section 402.19 or section 402.19.1 in determining its net tax for a reporting period and either the qualifying employer or the pension entity of the pension plan knows or ought to know that the qualifying employer is not entitled to the amount or that the amount exceeds the amount to which the qualifying employer is entitled, the qualifying employer and the pension entity are solidarily liable to pay the amount or excess to the Minister.

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2011, c. 34, s. 154; 2012, c. 28, s. 147.

#### **§ 6.7. — *Segregated funds and investment plans***

2012, c. 28, s. 148.

**402.23.** Subject to section 402.24, if tax under any of sections 16, 17, 18 and 18.0.1 is payable by a listed financial institution described in paragraph 6 or 9 of the definition of “listed financial institution” in section 1, other than a selected listed financial institution, or by a selected listed financial institution that is a provincial stratified investment plan, the financial institution is entitled to a rebate equal to the amount determined in the prescribed manner, provided the prescribed conditions are met.

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2012, c. 28, s. 148; 2015, c. 21, s. 726; 2022, c. 23, s. 200.

**402.24.** A person is not entitled to a rebate under section 402.23 unless

- (1) the person files an application for the rebate within one year after the day the tax became payable;

(2) the person has not made another application under this section in the calendar month in which the application is made; and

(3) the prescribed circumstances, if applicable, exist.

2012, c. 28, s. 148.

**402.25.** An insurer and a segregated fund of the insurer may elect, in the prescribed form containing prescribed information, to have the insurer pay to, or credit in favour of, the segregated fund the amount of any rebates payable to the segregated fund under section 402.23 in respect of supplies made by the insurer to the segregated fund.

A document evidencing an election made under the first paragraph must be filed with the Minister in the manner determined by the Minister on or before the day the insurer is required to file a return under Division IV of Chapter VIII for a reporting period of the insurer in which the insurer pays or credits a rebate under section 402.23 to or in favour of the segregated fund.

The amount of a rebate payable to the segregated fund of an insurer under section 402.23 may not be paid or credited by the insurer to or in favour of the fund in respect of a taxable supply made by the insurer to the fund unless

(1) *(subparagraph repealed)*;

(2) a rebate would be payable in respect of the supply if the segregated fund complied with section 402.24 in relation to the supply;

(3) the insurer and the segregated fund have filed a document evidencing the election made under the first paragraph that is in effect when tax in respect of the supply becomes payable; and

(4) the segregated fund, within one year after the day tax becomes payable in respect of the supply, submits to the insurer an application for the rebate in the prescribed form containing prescribed information.

2012, c. 28, s. 148; 2015, c. 21, s. 727; 2022, c. 23, s. 201.

**402.26.** Where an application for a rebate is submitted to an insurer by a segregated fund of the insurer and the conditions of the third paragraph of section 402.25 are met, the insurer shall transmit the application to the Minister with the insurer's return filed under Division IV of Chapter VIII for the reporting period of the insurer in which the rebate was paid or credited to the segregated fund.

Despite section 30 of the Tax Administration Act (chapter A-6.002), interest is not payable in respect of a rebate claimed from an insurer by a segregated fund of the insurer.

2012, c. 28, s. 148.

**402.27.** Where an insurer, in determining its net tax for a reporting period, deducts an amount under section 455.0.1 that the insurer paid or credited to a segregated fund of the insurer on account of a rebate under section 402.23 and the insurer knows or ought to know that the segregated fund is not entitled to the rebate or that the amount paid or credited exceeds the rebate to which the segregated fund is entitled, the insurer and the segregated fund are solidarily liable to pay the amount or excess to the Minister.

2012, c. 28, s. 148.

#### § 7. — *Rules applicable to this division*

**403.** An application for a rebate under this division, other than a rebate referred to in subdivision 2 or 5.3, must be made in the prescribed form containing prescribed information and be filed with and as prescribed by the Minister.

Only one application may be made under this division for a rebate with respect to any matter.

1991, c. 67, s. 403; 1994, c. 22, s. 585; 2012, c. 28, s. 149.

**404.** A person is not entitled to a rebate of an amount under sections 17.5 to 17.7 or under this division to the extent that it may reasonably be considered that

(1) the amount has previously been rebated, refunded or remitted to that person under this or any other Act;

(2) the person has claimed or is entitled to claim an input tax refund in respect of the amount;

(3) the person has obtained or is entitled to obtain a rebate, refund, remission of or compensation for the amount under any other section of this Act or under any other Act; or

(4) a credit note referred to in section 449 has been received by the person, or a debit note referred to in that section has been issued by the person, for an adjustment, refund or credit that includes the amount.

1991, c. 67, s. 404; 1994, c. 22, s. 586; 1997, c. 14, s. 346; 2001, c. 53, s. 364.

**404.0.1.** A registrant that, by reason of section 206.1, is not entitled to include, in determining its input tax refund, the entirety of an amount in respect of the tax payable by the registrant in respect of the acquisition or bringing into Québec of a property or service is entitled, despite paragraph 2 of section 404, to a refund under this division in respect of that amount equal to the amount determined by multiplying the amount of that refund otherwise determined by

(1) 75%, where the acquisition or bringing into Québec of the property or service occurs after 31 December 2017 and before 1 January 2019;

(2) 50%, where the acquisition or bringing into Québec of the property or service occurs after 31 December 2018 and before 1 January 2020; or

(3) 25%, where the acquisition or bringing into Québec of the property or service occurs after 31 December 2019 and before 1 January 2021.

2019, c. 14, s. 553.

**404.1.** A person is not entitled to the rebate under this division of an amount the person has paid as tax in respect of a supply of a motor vehicle by way of sale received by the person only to again make a supply of it by way of sale, otherwise than by way of gift, or by way of lease under an agreement under which continuous possession or use of the vehicle is provided to a person for a period of at least one year.

2001, c. 51, s. 294.

**404.2.** Subject to section 402.12, a person is not entitled to the rebate under this division of an amount of tax under section 16 that the person has paid to the registrant from whom the person has acquired a motor vehicle by a supply by way of retail sale, in circumstances where the amount was not payable by the person under section 422.

2001, c. 51, s. 294.

**404.3.** No person is entitled to the rebate of an amount, other than under any of sections 357.2 to 357.5, 357.5.1 and 357.5.2, to the extent that it can reasonably be regarded that the amount is in respect of tax under section 16 or, in relation to corporeal property from outside Canada, section 17 that became payable by the person at a time when the person was a selected listed financial institution, or that was paid by the person at that time without having become payable, in respect of a property or a service acquired or brought into Québec by the person for consumption, use or supply in the course of a business or an adventure or concern in the nature of trade.



The first paragraph does not apply in relation to an amount of tax that became payable by an insurer or that was paid by the insurer without having become payable in respect of a property or a service acquired or brought into Québec exclusively and directly for consumption, use or supply in the course of investigating, settling or objecting to a claim based on an insurance policy that is not in the nature of accident and sickness or life insurance.

The first paragraph does not apply in relation to an amount of tax that became payable by a surety (within the meaning of the first paragraph of section 301.4) or that was paid by the surety without having become payable in respect of a property or a service acquired or brought into Québec

(1) exclusively and directly for consumption, use or supply in the course of carrying on, or engaging another person to carry on, the construction of an immovable in Québec that is undertaken in full or partial satisfaction of the surety's obligations under a performance bond; and

(2) otherwise than for use as capital property of the surety or in improving capital property of the surety.

Despite the first paragraph, a selected listed financial institution that is a provincial stratified investment plan is entitled to the rebate of an amount in accordance with section 402.23 to the extent that it is in relation to an amount of tax that became payable by the financial institution, or that was paid by the financial institution without having become payable, in respect of a supply that is acquired in whole or in part for consumption, use or supply in the course of activities relating to a provincial series of the financial institution.

2012, c. 28, s. 150; 2015, c. 21, s. 728; 2022, c. 23, s. 202.

### **405.** *(Repealed).*

1991, c. 67, s. 405; 1994, c. 22, s. 587; 2015, c. 21, s. 729.

## **DIVISION II**

*Repealed, 1997, c. 14, s. 347.*

1997, c. 14, s. 347.

### **406.** *(Repealed).*

1991, c. 67, s. 406; 1997, c. 14, s. 347.

## **DIVISION III**

### **MANAGER OF AN INVESTMENT PLAN**

2015, c. 21, s. 730.

**406.1.** For the purposes of this division, “investment plan” and “manager” have the meaning assigned by section 433.15.1.

2015, c. 21, s. 730.

**406.2.** If an investment plan that is a selected listed financial institution and the manager of the investment plan have made a joint election referred to in the first or second paragraph of section 433.22 and that election is in effect in a particular reporting period of the manager for the purposes of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15), the manager shall file a return with the Minister within the time the manager is required to file a return in accordance with section 238 of that Act for the particular reporting period, specifying the amount described in the second paragraph, if, throughout the particular reporting period, the manager

- (1) is not registered under Division I of Chapter VIII and is not required to be; and
- (2) is not a selected listed financial institution.

The amount referred to in the first paragraph is the negative amount that the investment plan could otherwise have deducted in determining its net tax under section 433.16 or 433.16.2 for a reporting period of the investment plan, if the manager has paid or credited the negative amount to the investment plan, or the positive amount that the investment plan would otherwise have been required to include in determining its net tax under either of those sections for the investment plan's reporting period, if the negative or positive amount were determined on the basis of the following assumptions:

(1) the beginning of the investment plan's reporting period coincided with the later of the beginning of the manager's particular reporting period for the purposes of Part IX of the Excise Tax Act and the day in the manager's particular reporting period on which the election referred to in the first or second paragraph of section 433.22, as the case may be, between the investment plan and the manager becomes effective;

(2) the end of the investment plan's reporting period coincided with the earlier of the end of the manager's particular reporting period for the purposes of Part IX of the Excise Tax Act and the day in the manager's particular reporting period on which the election referred to in the first or second paragraph of section 433.22, as the case may be, between the investment plan and the manager ceases to have effect;

(3) subparagraphs 1 and 2 of the third paragraph of section 433.22 did not apply in respect of the investment plan's reporting period; and

(4) if, at any time in the investment plan's reporting period, no election referred to in the first or second paragraph of section 470.2, as the case may be, is in effect between the investment plan and the manager, an amount of tax that became payable by the investment plan at that time, or that was paid by the investment plan at that time without having become payable, is included in determining the negative or positive amount only if the amount of tax is attributable to a supply made by the manager to the investment plan.

2015, c. 21, s. 730.

**406.3.** If the amount described in the second paragraph of section 406.2 in relation to a return provided for in that section is positive, the manager shall pay that amount to the Minister on or before the day on which the manager is required to file the return.

If the amount described in the second paragraph of section 406.2 in relation to a return provided for in that section is negative, the manager may apply to the Minister for a rebate of that amount on or before the day on which the manager is required to file the return.

The investment plan and the manager are solidarily liable for any amount owing under this section and for any interest or penalties in respect of such an amount.

2015, c. 21, s. 730.

**406.4.** The return provided for in this division must be made in the prescribed form containing prescribed information and be filed with the Minister in the manner determined by the Minister.

2015, c. 21, s. 730.

## CHAPTER VIII

### TAX COLLECTION AND REMITTANCE

#### DIVISION I

##### REGISTRATION

**407.** Every person who makes a taxable supply in Québec in the course of a commercial activity engaged in by the person in Québec is required to be registered, except where

- (1) the person is a small supplier;
- (2) the only commercial activity of the person is making supplies of immovables by way of sale otherwise than in the course of a business; or
- (3) the person is not resident in Québec and does not carry on any business in Québec;
- (4) *(paragraph repealed)*.

1991, c. 67, s. 407; 1994, c. 22, s. 588; 1995, c. 63, s. 446.

**407.1.** Notwithstanding section 407, every small supplier who carries on a taxi business is required to be registered in respect of that business.

1994, c. 22, s. 589.

**407.2.** Notwithstanding section 407, every person who engages in the retail sale of tobacco within the meaning of the Tobacco Tax Act (chapter I-2) is required to be registered in respect of that activity.

Sections 411.1, 415.1 and 417.1, adapted as required, apply to every small supplier who engages in the retail sale of tobacco.

1995, c. 47, s. 9; 1997, c. 14, s. 348.

**407.3.** Notwithstanding section 407, every small supplier who makes a supply of alcoholic beverages is required to be registered in respect of that activity.

The first paragraph does not apply to a small supplier who, while being the holder of a valid event permit issued under the Act respecting liquor permits (chapter P-9.1), makes a supply of alcoholic beverages that is authorized under that permit.

Sections 411.1, 415.1 and 417.1 apply, with the necessary modifications, to every small supplier who is required to be registered under this section.

1995, c. 63, s. 447; 2018, c. 20, s. 129.

**407.4.** Notwithstanding section 407, every small supplier who engages in the retail sale of fuel, within the meaning of the Fuel Tax Act (chapter T-1), is required to be registered in respect of that activity.

Sections 411.1, 415.1 and 417.1 apply, with the necessary modifications, to every small supplier who is required to be registered under this section.

1999, c. 65, s. 50.

**407.5.** Despite section 407, a small supplier or a person not resident and not carrying on business in Québec, who engages in the retail sale of a new tire or the sale of a road vehicle, other than a road vehicle that

is capital property of the supplier or person, or the retail leasing of a new tire or the long term leasing of a road vehicle, is required to be registered in respect of those activities.

The expressions “long term leasing”, “new tire”, “retail leasing”, “retail sale” and “road vehicle” have the meanings assigned by Title IV.5 of the Act.

Sections 411.1, 415.1 and 417.1 apply, with the necessary modifications, to the person required to be registered under this section.

2000, c. 39, s. 284; 2001, c. 51, s. 295; 2021, c. 18, s. 192.

**407.6.** Despite section 407, a selected listed financial institution is required to be registered if

- (1) the financial institution is a registrant under Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15);
- (2) the financial institution has made an election under the first paragraph of section 433.22 or 470.2 that comes into effect on a particular day and no election under the first paragraph of section 470.5 is in effect on the particular day; or
- (3) the financial institution revokes an election made under the first paragraph of section 470.5, or withdraws from such an election, as of a particular day, in accordance with section 470.6 or 470.7 and an election under the first paragraph of section 433.22 or 470.2 is in effect on the particular day.

2012, c. 28, s. 151; 2013, c. 10, s. 226; 2015, c. 21, s. 731.

**407.6.1.** The following rules apply in respect of a group described in the second paragraph:

- (1) the group is required to be registered;
- (2) each member of the group is deemed to be a registrant; and
- (3) despite sections 407 to 407.6, no member of the group is required to be separately registered.

For the purposes of the first paragraph, a group is made up of the selected listed financial institutions that have, jointly with their manager, made an election referred to in the first or third paragraph of section 470.5.

Where a selected listed financial institution becomes, on a particular day, a member of an existing group that is registered or required to be registered, the following rules apply:

- (1) the financial institution is deemed to be a registrant as of the particular day; and
- (2) despite sections 407 to 407.6, the financial institution is not required to be separately registered as of the particular day.

In this division, “manager” has the meaning assigned by section 433.15.1.

2015, c. 21, s. 732.

**407.7.** Despite section 407, a person that is required, in accordance with section 477.18.3, to be registered under this division is required to be registered for the purposes of this Title.

2021, c. 18, s. 193.

**408.** Notwithstanding section 407, a person who is a small supplier who, at any time, applies to the Minister of National Revenue for registration under subsection 3 of section 240 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) shall, at that time, apply to the Minister for registration.

1991, c. 67, s. 408; 1997, c. 85, s. 677; 2004, c. 21, s. 533.

**409.** A person is deemed to be carrying on business in Québec and, unless the person is a small supplier, is required to be registered where

(1) the person, whether or not resident in Québec, whether through an employee or a mandatary or by means of advertising directed at the Québec market, solicits orders in Québec for the supply by the person of, or offers to supply, property that is prescribed property for the purposes of section 24.1 and that is to be sent by mail or courier to the recipient at an address in Québec; or

(2) the person is not resident in Québec and makes, in Québec, a taxable supply, other than a zero-rated supply, of a passenger transportation service within the meaning of Division VII of Chapter IV.

1991, c. 67, s. 409; 1994, c. 22, s. 590; 2000, c. 39, s. 285.

**409.1.** Every person, other than a small supplier, who is not resident in Québec but is resident in Canada, who does not carry on a business in Québec and who, in the course of a business carried on by the person in Canada, solicits orders in Québec for the taxable supply, other than a zero-rated supply, by the person of corporeal movable property, other than prescribed property for the purposes of section 24.1, to be delivered in Québec to a consumer is required to be registered and shall apply to the Minister for registration before the day the person first makes such a supply.

1995, c. 63, s. 448.

**410.** Every person (other than a person registered under Division II of Chapter VIII.1) that enters Québec for the purpose of making taxable supplies of admissions in respect of an activity, seminar, event or place of amusement is required to be registered and shall, before making any such supply, apply to the Minister for registration.

1991, c. 67, s. 410; 1994, c. 22, s. 590; 2021, c. 18, s. 194.

**410.1.** A person required under any of sections 407 to 407.6 and 407.7 to be registered shall apply to the Minister for registration before

(1) in the case of a person required under section 407.1 to be registered in respect of a taxi business, the day the person first makes a taxable supply in Québec in the course of that business;

(1.1) in the case of a person required under section 407.2 to be registered in respect of the retail sale of tobacco, the day the person first engages in the retail sale of tobacco;

(1.2) in the case of a person required under section 407.3 to be registered in respect of the supply of alcoholic beverages, the day the person first makes a taxable supply of alcoholic beverages in Québec;

(1.3) in the case of a person required under section 407.4 to be registered in respect of the retail sale of fuel, the day the person first makes a retail sale of fuel in Québec;

(1.4) in the case of a person required under section 407.5 to be registered in respect of the retail sale of new tires or the sale of road vehicles or the retail leasing of new tires or the long term leasing of road vehicles, the day the person engages in the first sale or leasing of new tires or road vehicles in Québec;

(1.5) in the case of a selected listed financial institution required under paragraph 2 or 3 of section 407.6 to be registered, the thirtieth day following the particular day referred to in that paragraph;

(1.6) in the case of a person required under section 407.7 to be registered, the first day on which the person is required, in accordance with section 477.18.3, to be registered under this division; and

(2) in any other case, the day the person first makes a taxable supply in Québec, otherwise than as a small supplier, in the course of a commercial activity engaged in by the person in Québec.

The manager of a group referred to in section 407.6.1 as a consequence of an election under the first paragraph of section 470.5 shall file an application with the Minister for registration of the group before the thirtieth day following the day on which that election becomes effective.

If a selected listed financial institution becomes, on a particular day, a member of a group referred to in section 407.6.1 as a consequence of an election under the first paragraph of section 470.5, the following rules apply:

(1) if the group is registered, the financial institution or the manager of the group shall file an application with the Minister to add the financial institution to the registration of the group before the thirtieth day following the particular day; and

(2) if the group is required to be registered, the application for registration filed under the second paragraph must list the financial institution as a member of the group.

The manager of a group referred to in section 407.6.1 as a consequence of an election referred to in the third paragraph of section 470.5 is deemed to have filed with the Minister an application for registration of the group on the later of the first day of a fiscal year in which the group becomes referred to in section 407.6.1 and the day on which the election becomes effective.

In the case of an existing group referred to in section 407.6.1 as a consequence of an election referred to in the third paragraph of section 470.5, the selected listed financial institution that becomes a member of the group is deemed to have filed with the Minister an application to be added to the registration of the group on the later of the first day of its fiscal year in which it became a selected listed financial institution and the day on which it became a member of an existing group for the purposes of subsection 1.4 of section 240 of the Excise Tax Act (R.S.C. 1985, c. E-15).

1994, c. 22, s. 591; 1995, c. 47, s. 10; 1995, c. 63, s. 549; 1995, c. 63, s. 449; 1999, c. 65, s. 51; 2000, c. 39, s. 286; 2015, c. 21, s. 733; 2021, c. 18, s. 195.

**411.** A person who is not required under sections 407 to 407.6, 407.7 and 409 to 410 to be registered, and who is not required to be included in, or added to, the registration of a group under section 407.6.1, may file an application for registration with the Minister if the person

(1) is engaged in a commercial activity in Québec;

(2) is not resident in Québec and, in the ordinary course of carrying on business outside Québec,

(a) regularly solicits orders for the supply of corporeal movable property for shipping or delivery in Québec, or

(b) has entered into an agreement for the supply by the person of

i. services to be performed in Québec,

ii. incorporeal movable property to be used in Québec, or

iii. incorporeal movable property that relates to an immovable situated in Québec, corporeal movable property ordinarily located in Québec or services to be performed in Québec;

(2.1) is a listed financial institution resident in Canada;

(2.2) is resident in Canada and is

(a) a particular corporation, a partnership or a trust that owns units of, or holds indebtedness of, a corporation that is, for the purposes of sections 301.11 to 301.13, an operating corporation of the particular corporation, the partnership or the trust, or

(b) a corporation that is acquiring, or proposes to acquire, all or substantially all of the issued and outstanding shares of the capital stock of another corporation, having full voting rights under all circumstances, if all or substantially all of the property of the other corporation is, for the purposes of sections 301.11 to 301.13, property that was last manufactured, produced, acquired or imported into Canada by the other corporation for consumption, use or supply exclusively in the course of its commercial activities;

(3) is the recipient of a qualifying supply, within the meaning of section 75.3, or of a supply that would be a qualifying supply if the recipient were a registrant, and the recipient files an election under section 75.4 with the Minister in respect of the qualifying supply before the latest of the dates referred to in paragraph 1 of section 75.9; or

(4) is a corporation that would be a temporary member, within the meaning of section 331.0.1, but for paragraph 1 of that section.

Despite the first paragraph, no person who is a small supplier or a listed financial institution resident in Canada, other than the following persons, may file an application for registration under that paragraph unless the person applies to the Minister of National Revenue for registration under subsection 3 of section 240 of the Excise Tax Act (R.S.C. 1985, c. E-15):

(1) *(subparagraph repealed)*;

(2) a charity or public institution that, as a sponsor, supplies admissions to a convention, other than an admission to a foreign convention, to a person not resident in Québec.

Despite the first paragraph, no person who is registered, or required to be registered, under Division II of Chapter VIII.1 (other than a Canadian specified supplier) may file an application for registration under the first paragraph unless the person applies to the Minister of National Revenue for registration under subsection 3 of section 240 of the Excise Tax Act.

1991, c. 67, s. 411; 1994, c. 22, s. 592; 1995, c. 47, s. 11; 1995, c. 63, s. 450; 1997, c. 85, s. 679; 1999, c. 65, s. 52; 2000, c. 39, s. 287; 2001, c. 51, s. 296; 2004, c. 21, s. 534; 2009, c. 5, s. 658; 2010, c. 5, s. 242; 2012, c. 28, s. 152; 2015, c. 21, s. 734; 2021, c. 18, s. 196; 2023, c. 2, s. 92; 2024, c. 11, s. 180.

**411.0.1.** A particular person who is not resident in Québec but is resident in Canada, who is not required to be registered under this division and may not apply to be registered under section 411, may apply to the Minister to be registered if, under an agreement between the person and a registrant,

(1) the registrant makes in Québec a supply, other than an exempt supply, of corporeal movable property by way of sale or of a service of manufacturing or producing such property to the particular person, or acquires physical possession of corporeal movable property, other than property of a person who is resident in Québec, for the purpose of making a supply, other than an exempt supply, of a commercial service in respect of the property to the particular person;

(2) the registrant is required to cause physical possession of the property to be transferred, at any time, at a place in Québec, to a third person or to the particular person; and

(3) the particular person is not a consumer of the property or service supplied by the registrant under the agreement.

1995, c. 1, s. 325; 1995, c. 63, s. 451; 2012, c. 28, s. 153.

**411.1.** A person who is a small supplier carrying on a taxi business may file with and as prescribed by the Minister a request, in prescribed form containing prescribed information, to have the registration of the person apply in respect of all commercial activities engaged in by the person in Québec.

Notwithstanding the first paragraph, a person who is a small supplier may not request a variation of registration as provided for therein, unless the person applies to the Minister of National Revenue for registration under section 240 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of all the commercial activities engaged in by the person in Canada.

The Minister may approve the request filed under the first paragraph and shall thereupon notify the person in writing of the date from which the registration applies to all the commercial activities engaged in by the person in Québec.

The variation provided for in this section becomes effective on the date from which the registration under section 240 of that Act applies to all the commercial activities engaged in in Canada by the person.

1994, c. 22, s. 593; 1997, c. 85, s. 680.

**412.** An application for registration, or an application to be added to the registration of a group, is to be made in the prescribed form containing prescribed information and is to be filed with and as prescribed by the Minister.

Where the application referred to in the first paragraph is made by a person that is required to be registered under section 407.7, it must also contain the registration number assigned to that person in accordance with subsection 1 of section 241 of the Excise Tax Act (R.S.C. 1985, c. E-15).

1991, c. 67, s. 412; 2015, c. 21, s. 735; 2021, c. 18, s. 197.

**413.** *(Repealed).*

1991, c. 67, s. 413; 1993, c. 79, s. 56.

**414.** *(Repealed).*

1991, c. 67, s. 414; 1993, c. 79, s. 56.

**415.** The Minister may register any person applying to be registered and, for that purpose, the Minister, or any person he authorizes, shall assign a registration number to the person and notify the person in writing by way of a registration certificate of the registration number and the effective date of the registration.

The registration certificate shall be kept at the principal establishment of its holder in Québec and may not be transferred.

1991, c. 67, s. 415; 1997, c. 3, s. 129.

**415.0.1.** A registration certificate issued pursuant to this Title to a person who engages in the retail sale of tobacco is deemed to have been issued in respect of each establishment within the meaning of the Tobacco Tax Act (chapter I-2) in which that person engages in that activity.

1998, c. 33, s. 66.

**415.0.2.** If a person applies to the Minister, the Minister may register a group of selected listed financial institutions referred to in section 407.6.1, in which case the following rules apply:

(1) the Minister shall assign a registration number to the group and notify in writing the manager of the group and each financial institution listed on the application of the registration number and the effective date of the registration of the group;



(2) the registration of any financial institution that is a member of the group and that is a registrant under this division on the day preceding the effective date of registration of the group is cancelled as of the effective date; and

(3) as of the effective date of registration of the group, each financial institution that is a member of the group is deemed, other than for the purposes of sections 416 to 418, to be a registrant under this division and to have a registration number that is the registration number of the group.

2015, c. 21, s. 736.

**415.0.3.** If an application is filed with the Minister under subparagraph 1 of the third paragraph of section 410.1, the Minister may add a selected listed financial institution to the registration of a group, in which case the following rules apply:

(1) the Minister shall notify in writing the manager of the group and the financial institution of the effective date of the addition to the registration;

(2) where the financial institution is registered under this division on the day preceding the effective date of the addition to the registration of the group, the registration of the financial institution is cancelled as of the effective date; and

(3) as of the effective date of the addition to the registration of the group, the financial institution is deemed, other than for the purposes of sections 416 to 418, to be a registrant under this division and to have a registration number that is the registration number of the group.

2015, c. 21, s. 736.

**415.0.4.** If the Minister has reason to believe that a person who is not registered is required to be registered and has failed to apply for registration as and when required under this division, the Minister may send a notice in writing that the Minister proposes to register the person under section 415.0.6.

2015, c. 24, s. 185.

**415.0.5.** Upon receiving a notice referred to in section 415.0.4, a person shall apply for registration or establish to the satisfaction of the Minister that the person is not required to be registered.

2015, c. 24, s. 185.

**415.0.6.** The Minister may register a person to whom a notice referred to in section 415.0.4 has been sent if, after 60 days after the day on which the notice was sent, the person has not applied for registration and the Minister is not satisfied that the person is not required to be registered, in which case the Minister shall assign a registration number to the person and notify the person in writing of the registration number and the effective date of the registration.

The effective date of a person's registration under the first paragraph is not to be earlier than 60 days after the day on which the notice in writing referred to in that paragraph was sent to the person.

2015, c. 24, s. 185.

**415.1.** Where, on the day on which the registration under the first paragraph of section 415 of a person becomes effective or is varied under section 417.1, the person is a small supplier carrying on a taxi business and an approval under section 411.1 in respect of the registration does not become effective on that day, the registration does not apply to any other commercial activity engaged in by the person in Québec throughout the period commencing on that day and ending on the earlier of

(1) the first day thereafter that the person ceases to be a small supplier; and

(2) the day, specified in a notice issued under section 411.1 in respect of that registration or varied registration, as the case may be, from which the registration is to apply to all commercial activities engaged in by the person in Québec.

1994, c. 22, s. 594.

**416.** The Minister may, after giving a person who is registered reasonable written notice, cancel the registration of the person if it is established to the Minister's satisfaction that the registration is not required for the purposes of this Title.

1991, c. 67, s. 416.

**416.1.** The Minister shall, after giving a person reasonable notice,

(1) cancel the person's registration where

(a) the person is not required to be registered under this Title, and

(b) the person is not registered under section 240 of Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15);

(2) vary the person's registration so that the registration apply only in respect of the taxi business of the person, the retail sale of tobacco or the supply of alcoholic beverages by the person where

(a) the present registration of the person applies to an activity other than an activity in respect of which the person is required to be registered, and

(b) the person is not registered under section 240 of Part IX of the Excise Tax Act in respect of that other activity.

Section 209 or paragraph 1 of section 210.4, as the case may be, does not apply in respect of a cancellation or variation of registration provided for in subparagraphs 1 and 2 of the first paragraph.

The first paragraph does not apply where the person applies to the Minister of National Revenue for registration or for a variation of registration under subsection 3.1 of section 240 of the Excise Tax Act in respect of an activity other than an activity in respect of which the person is required to be registered and such registration or variation of registration is effective before the time the cancellation or variation provided for in the first paragraph becomes effective.

1995, c. 63, s. 452.

**416.2.** The Minister may cancel the registration of a group registered under section 415.0.2, after giving reasonable written notice to each financial institution that is a member of the group and to the manager of the group, if the Minister is satisfied that the registration is not required for the purposes of this Title.

2015, c. 21, s. 737.

**416.3.** The Minister shall cancel the registration of a group in respect of which an election referred to in the first or third paragraph of section 470.5 has been made, in the following circumstances:

(1) where the election is referred to in the first paragraph of section 470.5, the election ceases to have effect as of a particular day in accordance with subparagraph 1 of the fourth paragraph of section 470.6, if no election is deemed to be made and become effective on the particular day in accordance with subparagraph 2 of that fourth paragraph;

(2) where the election is referred to in the third paragraph of section 470.5, the election ceases to have effect as of a particular day in accordance with paragraph a of subsection 10 of section 54 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act

(R.S.C. 1985, c. E-15), if no election is deemed to be made and become effective on the particular day in accordance with paragraph *b* of subsection 10 of section 54 of those Regulations or if such an election is deemed to be made and become effective on the particular day and only one of the investment plans being deemed to have made the election is a selected listed financial institution;

(3) the election ceases to have effect as of a particular day in accordance with subparagraph 3 of the fifth paragraph of section 470.5 or with paragraph *a* of subsection 11 of section 54 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations; and

(4) the election ceases to have effect as of a particular day in accordance with the second paragraph of section 470.7 or with paragraph *b* of subsection 13 of section 54 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations.

2015, c. 21, s. 737.

**416.4.** The Minister may remove a particular person that is a member of a group registered under section 407.6.1, after giving reasonable written notice to the manager of the group and to the particular person, if the Minister is satisfied that the particular person is not required to be included in the registration of the group.

The Minister shall remove a person from the registration of a group where

(1) the person chooses to withdraw from the group, in accordance with the first paragraph of section 470.6;

(2) the person is deemed to withdraw from the group, in accordance with the second paragraph of section 470.6; or

(3) the Minister of National Revenue withdraws that person from the registration of a group in accordance with subsection 1.3 or 1.4 of section 242 of the Excise Tax Act (R.S.C. 1985, c. E-15).

2015, c. 21, s. 737.

**417.** The Minister shall cancel the registration of a person who is a small supplier who, as the case may be, does not carry on a taxi business, does not engage in the retail sale of tobacco, does not make supplies of alcoholic beverages or is not referred to in section 407.4 or 407.5 where

(1) the person has filed with and as prescribed by the Minister a request, in prescribed form containing prescribed information, to do so; and

(2) the registration of the person has been cancelled under Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15).

The cancellation provided for in the first paragraph becomes effective on the same date as the date on which the cancellation of the person's registration under Part IX of the Excise Tax Act becomes effective.

1991, c. 67, s. 417; 1994, c. 22, s. 595; 1995, c. 47, s. 12; 1995, c. 63, s. 453; 1997, c. 85, s. 681; 2003, c. 2, s. 342; 2004, c. 21, s. 535.

**417.0.1.** Every person who, on 1 January 2013, is a supplier of financial services and a registrant shall file a request for cancellation of registration with the Minister if, on that date, the person is not registered under subdivision *d* of Division V of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15).

Subject to sections 407.2 to 407.5, the Minister shall cancel the registration of any person who files a request in accordance with the first paragraph and the cancellation becomes effective on 1 January 2013.

Section 209 does not apply in respect of the cancellation of registration provided for in the second paragraph.

Despite sections 294 and 295, the person to whom the first paragraph applies who makes a taxable supply described in subparagraph *c* of paragraph 1 of section 294 or 295 is deemed to be a small supplier at either of the following times if, at that time, the person is not a registrant for the purposes of Part IX of the Excise Tax Act:

(1) the time the person makes the taxable supply; or

(2) the time all or part of the consideration for the taxable supply becomes due or is paid without having become due.

2012, c. 28, s. 154; 2015, c. 21, s. 738.

**417.0.2.** Every person who, on 1 January 2013, is not resident in Canada and is a registrant shall file a request for cancellation of registration with the Minister if the person

(1) is registered under section 411.0.1; and

(2) is not registered under subdivision *d* of Division V of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15).

The Minister shall cancel the registration of any person who files a request in accordance with the first paragraph and the cancellation becomes effective on 1 January 2013.

2012, c. 28, s. 154.

**417.1.** Where a person who is a small supplier carrying on a taxi business files with the Minister in prescribed manner a request, in prescribed form containing prescribed information, to have the registration of the person varied to apply only to that business, the Minister shall so vary the registration.

Notwithstanding the first paragraph, a person who is a small supplier may not request a variation of registration as provided for therein unless the person files with the Minister of National Revenue a request under Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) to have the registration of the person apply only in respect of activities in respect of which the person is required to be registered under that Act.

The variation provided for in the first paragraph becomes effective on the date from which the registration under Part IX of the Excise Tax Act applies only in respect of activities in respect of which the person is required to be registered under that Act.

1994, c. 22, s. 596; 1997, c. 85, s. 682.

**417.2.** Where, at any time that an approval granted under section 297.1.3 in respect of a direct seller is in effect, an independent sales contractor, within the meaning of section 297.1, of the direct seller would be a small supplier if the approval had been in effect at all times before that time, the Minister shall cancel the registration of the independent sales contractor if

(1) the independent sales contractor files with the Minister in prescribed manner a request to that effect in prescribed form containing prescribed information; and

(2) the independent sales contractor's registration has been cancelled under Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15).

The cancellation referred to in the first paragraph is effective on the date on which the cancellation of the independent sales contractor's registration under Part IX of the Excise Tax Act becomes effective.

1994, c. 22, s. 596; 1995, c. 63, s. 454; 1997, c. 14, s. 349.

**417.2.1.** Where, at any time that an approval granted under section 297.0.7 in respect of a network seller, as defined in section 297.0.3, and each of its sales representatives, as defined in that section, is in effect, a sales representative of the network seller would be a small supplier if the approval had been in effect at all times before that time, the Minister shall cancel the registration of the sales representative if

(1) the sales representative files with the Minister in prescribed manner a request to that effect in prescribed form containing prescribed information; and

(2) the sales representative's registration has been cancelled under Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15).

The cancellation referred to in the first paragraph is effective on the date on which the cancellation of the sales representative's registration under Part IX of the Excise Tax Act becomes effective.

2011, c. 6, s. 280.

**417.3.** Subject to sections 407.2 to 407.5, where a person is a small supplier who, at any time, files a request for variation or cancellation of registration with the Minister of National Revenue under subsection 3.1 of section 240 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) or subsection 2, 2.1 or 2.2 of section 242 of that Act, the person shall, at that time, file such a request with the Minister under section 411.1, 417, 417.1 or 417.2.

1997, c. 85, s. 683; 1999, c. 65, s. 53; 2000, c. 39, s. 288.

**418.** Where the Minister cancels or varies the registration of a person, the Minister shall notify the person in writing of the cancellation or variation and its effective date.

Where the Minister cancels the registration of a group in accordance with section 416.2 or 416.3, the following rules apply:

(1) the Minister shall notify in writing each member of the group and the manager of the group of the cancellation and specify the effective date of the cancellation; and

(2) as of the effective date of the cancellation, each member of the group is deemed not to be a registrant under this division.

Where the Minister removes a particular person from the registration of a group in accordance with section 416.4, the following rules apply:

(1) the Minister shall notify in writing the particular person and the manager of the group of the effective date of the removal; and

(2) as of the effective date of the removal, the particular person is deemed not to be a registrant under this division.

1991, c. 67, s. 418; 1994, c. 22, s. 597; 2015, c. 21, s. 739.

**418.1.** Where a request is filed under section 417 or 417.1 by a person who is a small supplier on 1 August 1995 by reason of the fact that all or substantially all of the amounts referred to in paragraph 1 of section 294 do not relate to the supply of incorporeal movable property, immovables or services and the request is the first request filed after 1 August 1995, section 209 or paragraph 1 of section 210.4, as the case may be, does not apply to the person if the request is filed with the Minister before 1 August 1996.

1995, c. 63, s. 455.

**419.** *(Repealed).*

1991, c. 67, s. 419; 1993, c. 79, s. 56.

**420.** *(Repealed).*

1991, c. 67, s. 420; 1993, c. 79, s. 56.

**421.** *(Repealed).*

1991, c. 67, s. 421; 1993, c. 79, s. 56.

**DIVISION II**

**COLLECTION**

**422.** Every person who makes a taxable supply shall, as a mandatary of the Minister, collect the tax payable by the recipient under section 16 in respect of the supply.

This section does not apply where

(1) the supply is a supply referred to in section 20.1;

(2) the person is a small supplier who is not a registrant and who in the course of a commercial activity makes a supply of a road vehicle that must be registered under the Highway Safety Code (chapter C-24.2) following an application by the recipient of the supply; or

(3) the supply is a supply of a motor vehicle by way of retail sale other than a supply made following the exercise by the recipient of a right to acquire the vehicle, conferred on the recipient under an agreement in writing for the lease of the vehicle entered into by the recipient and the supplier.

1991, c. 67, s. 422; 1993, c. 19, s. 230; 1995, c. 63, s. 456; 2001, c. 51, s. 297; 2015, c. 21, s. 740.

**423.** A supplier, other than a prescribed supplier, who makes a taxable supply of an immovable by way of sale is not required to collect tax payable by the recipient under section 16 in respect of the supply where

(1) the supplier is a person not resident in Québec or is resident in Québec by reason only of section 12;

(2) the recipient is registered under Division I and, in the case of a recipient who is an individual, the immovable is neither a residential complex nor supplied as a cemetery plot or place of burial, entombment or deposit of human remains or ashes;

(2.1) the supplier and the recipient have made an election under section 94 in respect of the supply; or

(3) the recipient is a prescribed recipient.

1991, c. 67, s. 423; 2001, c. 53, s. 365; 2003, c. 2, s. 343.

**423.1.** A supplier (other than a prescribed supplier) that makes a taxable supply of an emission allowance is not required to collect tax under section 16 payable by the recipient in respect of the supply.

2021, c. 14, s. 235.

**424.** Where a carrier who makes a particular taxable supply of a service of transporting corporeal movable property

(1) is provided by the shipper with a declaration referred to in paragraph 2 of section 197 where such a declaration is required; and

(2) at or before the time the tax in respect of the particular supply becomes payable, the carrier did not know and could not reasonably be expected to know that

- (a) the property was not being shipped outside Québec,
  - (b) the transportation by the carrier was not part of a continuous outbound freight movement in respect of the property, and
  - (c) there was or was to be any diversion of the property to a final destination in Québec,
- the carrier is not required to collect tax in respect of the particular supply or any supply that is incidental to the particular supply.

For the purposes of this section, “continuous outbound freight movement” and “shipper” have the same meanings as in Division VII of Chapter IV.

1991, c. 67, s. 424; 1997, c. 85, s. 684.

**424.1.** Where a person makes a taxable supply that gives rise to an account receivable and at any time the person supplies by way of sale or assignment the debt, for the purposes of section 20 of the Tax Administration Act (chapter A-6.002) and sections 428 to 436.1, the following rules apply:

- (1) the person is deemed to have collected, at that time, the amount, if any, of the tax in respect of the taxable supply that was not collected by the person before that time; and
- (2) any amount collected by any person after that time on account of the tax payable in respect of the taxable supply is deemed not to be an amount collected as or on account of tax.

For the purposes of section 24.1 of that Act, the amount of the tax in respect of the taxable supply that gave rise to the account receivable and that is the subject of the sale or assignment is deemed not to be an amount of duties which must be paid to the Minister in accordance with a fiscal law.

This section does not apply where the person who makes a taxable supply that gives rise to an account receivable is not required to collect the tax payable in respect of that supply by reason of the application of the second paragraph of that section 422.

2003, c. 2, s. 344; 2010, c. 31, s. 175.

**425.** Where a registrant makes a taxable supply, other than a zero-rated supply, the registrant shall indicate to the recipient, either in prescribed manner or in the invoice or receipt issued to, or in an agreement in writing entered into with, the recipient,

- (1) the consideration paid or payable by the recipient for the supply and the tax payable in respect of the supply in a manner that clearly indicates the amount of the tax, in which case the registrant may indicate a total amount made up of both that tax and the tax under Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15); or
- (2) that the amount paid or payable by the recipient for the supply includes the tax payable in respect of the supply.

Where the registrant indicates to the recipient the rate of the tax, he shall indicate it apart from the rate of any other tax.

In addition, the tax shall be referred to by its name, an abbreviation of its name or a similar designation. No other form of reference to the tax may be used.

1991, c. 67, s. 425; 2001, c. 53, s. 366; 2002, c. 46, s. 29.

**425.0.1.** Section 425 does not apply to a registrant when the registrant is not required to collect the tax payable in respect of the taxable supply made by the registrant.

2001, c. 53, s. 367.

**425.1.** Notwithstanding the first paragraph of section 425, a registrant who makes a supply of a motor vehicle by way of retail sale, other than a supply under section 20.1, shall indicate clearly in the invoice or receipt issued to, or in an agreement in writing entered into with, the recipient, the tax payable by the recipient under section 16 in respect of the supply and the prescribed information.

In the case of a prescribed registrant, the prescribed information must also be indicated in the prescribed manner on the prescribed document.

In addition, the tax shall be referred to by its name, an abbreviation of its name or a similar designation. No other form of reference to the tax may be used.

2001, c. 51, s. 298; 2002, c. 46, s. 30.

**425.1.1.** Despite the first paragraph of section 425, a registrant who makes a supply referred to in any of sections 350.51, 350.51.1, 350.60.4, 350.60.5 and 350.62 shall show on the invoice referred to in any of those sections and that the registrant is required to provide to the recipient the consideration paid or payable by the recipient for the supply as well as the tax payable in respect of the supply in such a way that the amount of the tax is shown clearly and separately from the tax provided for in Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15).

2010, c. 5, s. 243; 2015, c. 8, s. 156; 2021, c. 18, s. 198; 2023, c. 10, s. 8.

**425.2.** Every registrant who fails to indicate to the recipient, in accordance with section 425.1, the tax payable by the recipient in respect of the supply of a motor vehicle by way of retail sale made by the recipient or who indicates an amount that is less than the amount of tax payable by the recipient in respect of the supply shall pay an amount equal to the difference between the amount of tax payable and the amount of tax paid by the recipient under section 473.1.1 in respect of the supply, at the time the return under this chapter is required to be filed for the reporting period of the registrant during which the registrant made the supply.

Furthermore, the registrant shall incur a penalty of 15% of the difference between the two amounts.

The amount paid by the registrant pursuant to the first paragraph is deemed to be tax required to be collected by the registrant from the recipient of the supply under this Title and the registrant may bring an action in a court of competent jurisdiction to recover the amount from the recipient as though it were a debt due by the recipient to the registrant.

2001, c. 51, s. 298.

**426.** A person who makes a taxable supply to another person shall, on the request of the other person, forthwith furnish to the other person in writing such particulars of the supply as may be required for the purposes of this Title to substantiate a claim by the other person for a refund or rebate in respect of the supply.

1991, c. 67, s. 426.

**427.** Where a supplier has made a taxable supply to a recipient, is required under this Title to collect tax from the recipient in respect of the supply, has complied with section 425 in respect of the supply and has accounted for or remitted the tax payable by the recipient in respect of the supply to the Minister but has not collected the tax from the recipient, the supplier may bring an action in a court of competent jurisdiction to recover the tax from the recipient as though it were a debt due by the recipient to the supplier.

1991, c. 67, s. 427.



## **DIVISION II.1**

### **SHIPPING CERTIFICATE**

1995, c. 63, s. 457.

#### **427.1.** *(Repealed).*

1995, c. 63, s. 457; 2003, c. 2, s. 345.

**427.2.** For the purposes of this division, “inventory” of a person means corporeal movable property of the person acquired in Québec or brought into Québec by the person for supply by way of sale in the ordinary course of a business carried on by the person in Québec.

1995, c. 63, s. 457; 2015, c. 21, s. 741.

**427.3.** The Minister may, on the application of a person who is registered under Division I, authorize the person to use, on or after a particular day in a fiscal year of the person and subject to such conditions as the Minister may from time to time specify, a certificate (in this division referred to as a “shipping certificate”) for the purposes of section 179.1, where it can reasonably be expected

(1) that at least 90% of the total of all consideration for supplies to the person of items of inventory acquired in Québec by the person in the 12-month period commencing immediately after the particular day will be attributable to supplies that would be included in section 179 if it were read without reference to paragraph 5 thereof; and

(2) that the total of all consideration, included in determining the income of a business of the person for the year, for supplies made outside Québec by the person of items of inventory of the person that are not consumed, used, processed, transformed or altered after having been acquired in Québec or brought into Québec by the person and before being so supplied by the person will equal or exceed 90% of the total of all consideration, included in determining that income, for supplies made by the person of items of inventory of the person.

1995, c. 63, s. 457; 2001, c. 53, s. 368; 2003, c. 2, s. 346.

**427.4.** An application for authority to use a shipping certificate shall be made in prescribed form containing prescribed information and be filed with and as prescribed by the Minister.

1995, c. 63, s. 457.

**427.5.** Where the Minister authorizes a registrant to use a shipping certificate, the Minister shall notify the registrant in writing of the authorization, its effective date and its expiry date and the number assigned by the Minister that identifies the registrant or the authorization and that must be disclosed by the registrant when providing the certificate for the purposes of section 179.1.

1995, c. 63, s. 457; 2003, c. 2, s. 347.

**427.6.** The Minister may revoke, as of a particular day, an authorization granted under section 427.3 to a registrant where

(1) the registrant fails to comply with any condition attached to the authorization or any provision of this Title; or

(2) it can reasonably be expected that the requirements of paragraphs 1 and 2 of section 427.3 would not be met if the period referred to in paragraph 1 of that section commenced on that particular day.

Where the Minister revokes the authorization, the Minister shall notify the registrant in writing of the revocation and the effective date of the revocation.

1995, c. 63, s. 457.

**427.7.** An authorization granted to a registrant at any time under section 427.3 is deemed to have been revoked, effective after the last day of a fiscal year of the registrant ending after that time, where the fraction determined in subparagraph 1 exceeds the fraction determined in subparagraph 2:

- (1) the fraction determined by the formula

$A / B$ ;

- (2) the fraction determined by the formula

$C / D$ .

For the purposes of these formulas,

(1) A is the total of all consideration paid or payable by the registrant for items of inventory that were acquired in Québec by the registrant in the fiscal year in the course of a business of the registrant and in respect of which the registrant provided to the suppliers thereof a shipping certificate;

(2) B is the total of all consideration paid or payable by the registrant for items of inventory that were acquired in Québec by the registrant in the fiscal year in the course of that business;

(3) C is the total of all consideration, included in determining the income from that business for the fiscal year, for supplies made outside Québec by the registrant of items of inventory of the registrant that were not consumed, used, processed, transformed or altered after having been acquired in Québec or brought into Québec by the registrant and before being so supplied by the registrant; and

(4) D is the total of all consideration, included in determining that income, for supplies made by the registrant of items of inventory of the registrant.

1995, c. 63, s. 457.

**427.8.** An authorization granted under section 427.3 to a registrant ceases to have effect on the earlier of

- (1) the day on which a revocation of the authorization becomes effective; and  
(2) the day that is three years after the day on which the authorization, or its renewal, became effective.

1995, c. 63, s. 457.

**427.9.** Where an authorization granted to a registrant under section 427.3 is revoked, effective on a particular day, the Minister shall not grant to the registrant another authorization under that section that becomes effective before

- (1) where the authorization was revoked in circumstances described in subparagraph 1 of the first paragraph of section 427.6, the day that is two years after the particular day; and

(2) in any other case, the first day of the second fiscal year of the registrant commencing after the particular day.

1995, c. 63, s. 457.

## **DIVISION III**

### **REMITTANCE**

#### **§ 1. — *Determination of net tax***

##### **§ I. — General rules**

**428.** The net tax for a particular reporting period of a person is the positive or negative amount determined by the formula

$A - B.$

For the purposes of this formula,

(1) A is the total of

(a) all amounts that became collectible and all other amounts collected by the person in the particular reporting period as or on account of tax under section 16, and

(b) all amounts that are required under this Title to be added in determining the net tax of the person for the particular reporting period; and

(2) B is the total of

(a) all amounts each of which is an input tax refund for the particular reporting period or a preceding reporting period of the person claimed by the person in the return under this chapter filed by the person for the particular reporting period, and

(b) all amounts each of which is an amount that may be deducted by the person under this Title in determining the net tax of the person for the particular reporting period and that is claimed by the person in the return under this chapter filed by the person for the particular reporting period.

1991, c. 67, s. 428; 1994, c. 22, s. 598.

**429.** An amount shall not be included in the total for A in the formula set out in section 428 for a reporting period of a person to the extent that that amount was included in that total for a preceding reporting period of the person.

An amount must not be included in the total for A in the formula set out in section 428 for a reporting period of a person if the amount is deemed to be collected by the person under

(1) subparagraph 1 of the fifth paragraph of section 255.1;

(2) paragraph 1 of section 259.1; or

(3) paragraph 1 of section 262.1.

1991, c. 67, s. 429; 1994, c. 22, s. 598; 2012, c. 28, s. 155.

**429.1.** *(Repealed).*

1994, c. 22, s. 599; 1995, c. 63, s. 458.

**430.** An amount shall not be included in the total for B in the formula set out in section 428 for a particular reporting period of a person to the extent that the amount was claimed or included as an input tax refund or deduction in the total for a preceding reporting period of the person.

1991, c. 67, s. 430; 1994, c. 22, s. 600; 1997, c. 85, s. 685.

**430.1.** Subject to section 430.2, an amount may be included in the total for B in the formula set out in section 428 for a particular reporting period of a person if the person was not entitled to claim the amount in determining the net tax of the person for the preceding period only because the person did not satisfy the requirements of section 201 in respect of the amount before the return for that preceding period was filed.

1997, c. 85, s. 686.

**430.2.** For the purposes of section 430.1, where a person is claiming an amount in a return for a particular reporting period and the Minister has not disallowed the amount as an input tax refund in assessing the amount of any fees, interest and penalties for which the person is liable under this Act for a preceding reporting period, the person shall report in writing to the Minister, on or before the day the return for the particular reporting period is filed, that the person made an error in claiming that amount in determining the net tax of the person for that preceding period.

For the purposes of the first paragraph, where the person does not report the error to the Minister at least three months before the expiration of the time limited by the second paragraph of section 25 of the Tax Administration Act (chapter A-6.002) for assessing the amount of any fees, interest and penalties for which the person is liable for that preceding period, the person shall, on or before the day the return for the particular reporting period is filed, pay the amount and any interest and penalties payable to the Minister.

1997, c. 85, s. 686; 2010, c. 31, s. 175.

**430.3.** An amount is not to be included in the total for B in the formula set out in section 428 for a reporting period of a person to the extent that, before the end of the period, the amount

(1) is included in an adjustment, refund or credit for which a credit note referred to in section 449 has been received by the person or a debit note referred to in that section has been issued by the person; or

(2) was otherwise rebated, refunded or remitted to the person, or was otherwise recovered by the person, under this or any other Act of the Parliament of Québec.

1997, c. 85, s. 686; 2010, c. 31, s. 175; 2015, c. 36, s. 216.

**431.** An input tax refund of a person for a particular reporting period of the person shall not be claimed by the person unless it is claimed in a return under this chapter filed by the person on or before the day that is

(1) where the person is a specified person during the particular reporting period,

(a) if the input tax refund is in respect of property or a service supplied to the person by a supplier who did not, before the end of the particular reporting period, charge the tax in respect of the supply that became payable during the particular reporting period and the person pays that tax after the end of the particular reporting period and before the input tax refund is claimed, the earlier of

i. the day on or before which the return under this chapter is required to be filed for the last reporting period of the person that ends within two years after the end of the person's fiscal year in which the supplier charges that tax to the person, and

ii. the day on or before which the return under this chapter is required to be filed for the last reporting period of the person that ends within four years after the end of the particular reporting period;

(b) if the input tax refund was claimed in a return under this chapter filed, the day on or before which the return under this chapter is required to be filed for the last reporting period of the person that ends within two years after the end of the person's fiscal year that includes the particular reporting period, by another person who was not entitled to claim it and the person has paid the tax payable in respect of the acquisition or bringing into Québec of the property or service, the day on or before which the return under this chapter is required to be filed for the last reporting period of the person that ends within four years after the end of the particular reporting period; and

(c) in any other case, the day on or before which the return under this chapter is required to be filed for the last reporting period of the person that ends within two years after the end of the person's fiscal year that includes the particular reporting period;

(2) where the person is not a specified person during the particular reporting period, the day on or before which the return under this chapter is required to be filed for the last reporting period of the person that ends within four years after the end of the particular reporting period; or

(3) where the input tax refund is in respect of property or a service supplied to the person by a supplier who did not, before the end of the last reporting period of the person that ends within four years after the end of the particular reporting period, charge the tax in respect of the supply that became payable during the particular reporting period and the supplier discloses in writing to the person that the Minister has sent a notice of assessment to the supplier for that tax, and the person pays that tax after the end of that last reporting period and before the input tax refund is claimed by the person, the day on or before which the return under this chapter is required to be filed for the reporting period of the person in which the person pays that tax.

1991, c. 67, s. 431; 1997, c. 85, s. 687; 2015, c. 21, s. 743.

**431.1.** For the purposes of section 431, a person is a “specified person” during a reporting period of the person if

(1) the person is, during the reporting period, a financial institution described in the third paragraph; or

(2) the person's threshold amounts, determined in accordance with section 462, exceed \$6,000,000 for both the particular fiscal year of the person that includes the reporting period and the person's preceding fiscal year.

The first paragraph does not apply in respect of a person, other than a person referred to in subparagraph 1 of the first paragraph during the reporting period, where the person is a charity during the reporting period or all or substantially all of the supplies made by the person during the two fiscal years immediately preceding the particular fiscal year, other than supplies of financial services, are taxable supplies.

The financial institutions to which this section refers are the persons to whom the definition of “listed financial institution” in section 1 applies, excluding any person to whom paragraph 11 of that definition applies.

1997, c. 85, s. 688; 2003, c. 2, s. 348; 2012, c. 28, s. 156; 2015, c. 36, s. 217.

**432.** Where a registrant makes an exempt supply of a residential complex by way of sale, the registrant shall not claim an input tax refund in respect of the last acquisition by the registrant of the complex, or the acquisition or bringing into Québec by the registrant, after the complex was last acquired by the registrant, of

an improvement to the complex, in a return filed on or after the day the registrant transfers ownership or possession of the complex to the recipient of the supply.

1991, c. 67, s. 432; 1994, c. 22, s. 601.

**433.** *(Repealed).*

1991, c. 67, s. 433; 1994, c. 22, s. 602.

§ II. — Charities

**433.1.** For the purposes of sections 433.2 to 433.15, “specified supply” means a taxable supply other than

- (1) a supply by way of sale of an immovable or capital property;
- (2) a supply deemed under section 212.2, 323.2, 323.3 or 350.6 to have been made;
- (3) a supply to which section 286 or 290 applies; and
- (4) a supply deemed under section 41.1 or 41.2 to have been made by a mandatary.

1997, c. 85, s. 689; 2001, c. 53, s. 369.

**433.2.** Subject to section 433.9, the net tax for a particular reporting period of a charity that is a registrant is the positive or negative amount determined by the formula

$A - B.$

For the purposes of this formula,

(1) A is the total of

(a) 60% of the total of all amounts each of which is an amount collectible by the charity that, in the particular reporting period, became collectible or was collected before having become collectible, by the charity as or on account of tax in respect of specified supplies made by the charity;

(b) the total of all amounts that became collectible and all other amounts collected by the charity in the particular reporting period as or on account of tax in respect of

i. supplies by way of sale of immovables or capital property made by the charity,

ii. supplies by the charity to which section 286 or 290 applies, and

iii. supplies made on behalf of another person for whom the charity acts as mandatary and that are deemed under section 41.1 or 41.2 to have been made by the charity and not by the other person, or in respect of which the charity has made an election under section 41.0.1;

(b.1) the total of all amounts each of which is an amount not included in subparagraph *b* that was collected from a person by the charity in the particular reporting period as or on account of tax in circumstances in which the amount was not payable by the person, whether the amount was paid by the person by mistake or otherwise;

(c) the total of all amounts each of which is an amount in respect of supplies of immovables or capital property made by way of sale by or to the charity that are required under section 446 or 449 to be added in determining the net tax for the particular reporting period; and

(d) the amount required under section 473.5 to be added in determining the net tax for the particular reporting period; and

(2) B is the total of

(a) all input tax refunds of the charity for the particular reporting period and preceding reporting periods that are claimed in the return under this chapter filed for the particular reporting period in respect of

i. an immovable acquired by the charity by way of purchase,

ii. movable property acquired or brought into Québec by the charity for use as capital property,

iii. an improvement to an immovable or capital property of the charity,

iv. corporeal movable property, other than property referred to in subparagraph ii or iii, that is acquired or brought into Québec by the charity for the purpose of supply by way of sale and is supplied by a person acting as mandatary for the charity in circumstances in which section 41.0.1 applies, or deemed by section 41.2 to have been supplied by an auctioneer acting as mandatary for the charity, and

v. corporeal movable property, other than property referred to in subparagraph ii or iii, deemed under subparagraph 2 of the first paragraph of section 327.7 to have been acquired by the charity and under section 41.1 or 41.2 to have been supplied by the charity;

(b) 60% of the total of all amounts in respect of specified supplies that may be deducted under section 449 in respect of adjustments, refunds or credits given by the charity under section 448, or that may be deducted under section 455.1, in determining the net tax for the particular reporting period and that are claimed in the return under this chapter filed for that reporting period;

(b.1) *(subparagraph repealed)*;

(b.1.1) 60% of the total of all amounts that may be deducted by the charity under subparagraph 1 of the first paragraph of section 450.0.4 or 450.0.7 in determining the net tax for the particular reporting period and that are claimed in the return under this chapter filed for that reporting period;

(b.2) the total of all amounts that may, in determining the net tax for the particular reporting period, be deducted under section 449 in respect of adjustments, refunds or credits given by the charity under section 447 or 447.1 in respect of specified supplies and that are claimed in the return under this chapter for that reporting period;

(c) the total of all amounts in respect of supplies of immovables or capital property made by way of sale by the charity that may be deducted by the charity under section 444, 449, 455 or 455.1 in determining the net tax of the charity for the particular reporting period and are claimed in the return under this chapter filed for that reporting period; and

(d) the total of all amounts each of which is an input tax refund, other than an input tax refund referred to in subparagraph a of subparagraph 2 of this paragraph, of the charity, for a preceding reporting period in respect of which this section did not apply for the purpose of determining the net tax of the charity, that the charity was entitled to include in determining its net tax for that preceding reporting period and that is claimed in the return under this chapter filed for the particular reporting period.

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1997, c. 85, s. 689; 2001, c. 53, s. 370; 2009, c. 5, s. 659; 2020, c. 16, s. 234.

**433.3.** An amount shall not be included in determining the total for A in the formula set out in section 433.2 for a reporting period of a charity to the extent that that amount was included in that total for a preceding reporting period of the charity.

1997, c. 85, s. 689.

**433.4.** An amount shall not be included in the total for B in the formula set out in section 433.2 for a particular reporting period of a charity to the extent that the amount was claimed or included as an input tax refund or deduction in that total for a preceding reporting period of the charity.

Notwithstanding the first paragraph and subject to section 433.5, an amount may be included in that total for a particular reporting period of a charity if the charity was not entitled to claim the amount in determining the net tax of the charity for the preceding period only because the charity did not satisfy the requirements of section 201 in respect of the amount before the return for that preceding period was filed.

1997, c. 85, s. 689.

**433.5.** For the purposes of section 433.4, where the charity is claiming the amount in a return for the particular reporting period and the Minister has not disallowed the amount as an input tax refund in determining the amount of any fees, interest and penalties for which the charity is liable under this Act for a preceding reporting period, the charity shall report in writing to the Minister, on or before the day the return for the particular reporting period is filed, that the charity made an error in claiming that amount in determining the net tax of the charity for that preceding period.

For the purposes of the first paragraph, where the charity does not report the error to the Minister at least three months before the expiration of the time limited by the second paragraph of section 25 of the Tax Administration Act (chapter A-6.002) for determining the amount of any fees, interest and penalties for which the charity is liable under this Act for that preceding period, the charity shall, on or before the day the return for the particular reporting period is filed, pay the amount and any interest and penalties payable to the Minister.

1997, c. 85, s. 689; 2010, c. 31, s. 175.

**433.6.** An amount is not to be included in the total for B in the formula set out in section 433.2 for a reporting period of a charity to the extent that, before the end of the period, the amount

(1) is included in an adjustment, refund or credit for which a credit note referred to in section 449 has been received by the charity or a debit note referred to in that section has been issued by the charity; or

(2) was otherwise rebated, refunded or remitted to the charity, or was otherwise recovered by the charity, under this or any other Act of the Parliament of Québec.

1997, c. 85, s. 689; 2010, c. 31, s. 175; 2015, c. 36, s. 218.

**433.7.** Sections 444 to 457.1 do not apply for the purpose of determining the net tax of a charity in accordance with section 433.2 except as otherwise provided in sections 433.1 to 433.15.

1997, c. 85, s. 689; 2001, c. 53, s. 371.

**433.8.** Where a charity that makes supplies outside Québec, or zero-rated supplies, in the ordinary course of a business or all or substantially all of whose supplies are taxable supplies, elects not to determine its net tax in accordance with section 433.2, that section does not apply in respect of any reporting period of the charity during which the election is in effect.

1997, c. 85, s. 689; 2001, c. 51, s. 299; 2015, c. 21, s. 745.

**433.9.** An election under section 433.8 by a charity shall



(1) be filed in prescribed manner with the Minister in prescribed form containing prescribed information, on or before

(a) where the first reporting period of the charity in which the election is in effect is a fiscal year of the charity, the first day of the second fiscal quarter of that year or such later date as the Minister may determine on application of the charity, and

(b) in any other case, the day on or before which the return of the charity is required to be filed under this chapter for the first reporting period of the charity in which the election is in effect or on such later day as the Minister may determine on application of the registrant;

(2) set out the day the election is to become effective, which day shall be the first day of a reporting period of the charity; and

(3) remain in effect until a revocation of the election becomes effective.

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1997, c. 85, s. 689.

**433.10.** An election under section 433.8 by a charity may be revoked, effective on the first day of a reporting period of the charity, provided that that day is not earlier than one year after the election became effective and a notice of revocation of the election in prescribed form containing prescribed information is filed in prescribed manner with the Minister on or before the day on or before which the return under this chapter is required to be filed by the charity for its last reporting period in which the election is in effect.

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1997, c. 85, s. 689.

**433.11.** Where an election under section 433.8 by a charity becomes effective on a particular day, the second paragraph applies in respect of an amount, for a reporting period ending before that day and that is not claimed in a return for a reporting period ending before that day, that is

(1) an input tax refund; or

(2) in respect of a specified supply and may be deducted by the charity under section 449 or 455.1 in determining the net tax of the charity.

The amount shall not be claimed by the charity in a return for a reporting period ending after that day except to the extent that the charity was entitled to include the amount in determining the total for B in the formula set out in section 433.2 for any reporting period ending before that day.

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1997, c. 85, s. 689.

**433.12.** Where a charity is a prescribed person for the purposes of section 389 during a reporting period of the charity, any input tax refund that the charity is entitled to claim in a return for that reporting period may be determined according to a prescribed method as if the charity had made a valid election under section 434 that is in effect at all times while the charity is a prescribed person.

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1997, c. 85, s. 689.

**433.13.** Notwithstanding sections 433.8 to 433.10, where a registrant makes an election under subsection 6 of section 225.1 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) not to determine the net tax of the registrant in accordance with subsection 2 of the said section, the following rules apply:

(1) the registrant is not required to make an election under section 433.8;

(2) the registrant is deemed to have made such an election and the election is deemed

(a) to become effective on the day an election under subsection 6 of section 225.1 of the said Act is to become effective and to remain in effect until a revocation of the election becomes effective, and

(b) to cease to be in effect on the day on which a revocation of the election under subsection 8 of section 225.1 of the said Act becomes effective.

For the purposes of the first paragraph, the Minister may require that the registrant inform the Minister in prescribed form containing prescribed information and in the manner and within the time prescribed by the Minister of any election under subsection 6 of section 225.1 of the said Act or of any revocation of an election under subsection 8 of section 225.1 of the said Act.

1997, c. 85, s. 689.

**433.14.** *(Repealed).*

1997, c. 85, s. 689; 2015, c. 21, s. 746.

**433.15.** Sections 433.1 to 433.13 do not apply to a charity that is designated under sections 350.17.1 to 350.17.4.

2001, c. 53, s. 372; 2015, c. 21, s. 747.

§ III. — Selected listed financial institutions

1. — *Definitions and general rules*

2015, c. 21, s. 748.

**433.15.1.** For the purposes of this subdivision III and any regulations made under this subdivision III,

“exchange-traded fund” means a distributed investment plan, every unit of which is listed or traded on a stock exchange or other public market;

“individual” includes a succession;

“investment plan” means a person described in paragraph 6 or 9 of the definition of “listed financial institution” in section 1, other than

(1) a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered disability savings plan or a tax-free savings account; or

(2) a trust governed by a registered education savings plan if, as the case may be,

(a) the trust does not have more than one beneficiary at any one time, or

(b) each of the beneficiaries of the trust is connected to each living subscriber under the plan, or was connected to a deceased original subscriber under the plan, by blood relationship or by adoption, within the meaning of section 21 of the Taxation Act;

“investor percentage” applicable to a person as regards Québec on a particular day corresponds to the investor percentage applicable to the person that would be determined in accordance with section 28 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (R.S.C. 1985, c. E-15) as regards Québec on that day if Québec were a participating province within the meaning of subsection 1 of section 123 of the Excise Tax Act;

“manager” of an investment plan means, in the case of a pension entity of a registered pension plan, the administrator, within the meaning of subsection 1 of section 147.1 of the Income Tax Act (R.S.C. 1985, c. 1, (5th Suppl.)), in the case of a pension entity of a pooled registered pension plan, the administrator of the pension plan, and, in any other case, the person that has ultimate responsibility for the management and administration of the assets and liabilities of the investment plan;

“permanent establishment” of a person means

(1) any permanent establishment that the person is deemed to have under section 433.15.3;

(2) in the case of an individual, trust or corporation, other than an investment plan, any establishment of the person within the meaning of any of sections 12 to 16.0.1 of the Taxation Act (chapter I-3); and

(3) in the case of a partnership other than an investment plan,

(a) if every member of the partnership is either an individual or a trust, any establishment that would be an establishment of the partnership under any of sections 12, 13 and 15 of the Taxation Act if the partnership were an individual, and

(b) if subparagraph *a* does not apply, any establishment that would be an establishment of the partnership under any of sections 12 to 16.0.1 of the Taxation Act if the partnership were a corporation;

(4) (*paragraph repealed*);

“province” means, as the case may be, Québec, another province of Canada, the Northwest Territories, the Yukon Territory or Nunavut;

“provincial investment plan” as regards a particular province for a fiscal year that ends in a taxation year means a financial institution that is a non-stratified investment plan and in respect of which the following conditions are met throughout the fiscal year:

(1) under the laws of Canada or a province, units of the financial institution are permitted to be sold or distributed in the particular province but are not permitted to be sold or distributed in any other province;

(2) under the terms of the prospectus, registration statement, partnership agreement or other similar document for the financial institution, or under the laws of Canada or a province, the conditions for a person owning or acquiring units of the financial institution include that the person be resident in the particular province when the units are acquired and that the units are required to be sold, transferred or redeemed within a reasonable time if the person ceases to be resident in the particular province; and

(3) the percentage referred to in paragraph *c* of section 11 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, in respect of the financial institution as regards the particular province for the taxation year in which the preceding fiscal year ends, is 90% or more;

“provincial series” as regards a particular province for a fiscal year of a stratified investment plan means a series of the stratified investment plan in respect of which the following conditions are met throughout the fiscal year:

(1) under the laws of Canada or a province, units of the series are permitted to be sold or distributed in the particular province but are not permitted to be sold or distributed in any other province;

(2) under the terms of the prospectus, registration statement, partnership agreement or other similar document for the series, or under the laws of Canada or a province, the conditions for a person owning or acquiring units of the series include that the person be resident in the particular province when the units are acquired and that the units are required to be sold, transferred or redeemed within a reasonable time if the person ceases to be resident in the particular province; and

(3) the percentage referred to in paragraph *c* of the definition of “provincial series” in subsection 1 of section 1 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, in respect of the stratified investment plan as regards the series and the particular province for the taxation year in which the preceding fiscal year ends, is 90% or more;

“qualifying small investment plan” for a particular fiscal year means an investment plan (other than a distributed investment plan) that meets either of the following conditions:

(1) if, in the absence of section 433.15.12, the particular fiscal year would be the first fiscal year of the investment plan, the amount determined by the following formula for each reporting period of the investment plan included in the particular fiscal year does not exceed \$10,000:

$A \times (365/B)$ ; and

(2) in any other case, the amount determined by the following formula does not exceed \$10,000:

$$C \times (365/D);$$

“selected listed financial institution” throughout a reporting period in a fiscal year that ends in a taxation year means, subject to section 433.15.2, a financial institution that is described in any of paragraphs 1 to 10 of the definition of “listed financial institution” in section 1 in the taxation year and that

(1) has, in the taxation year, a permanent establishment in Québec and a permanent establishment in another province; or

(2) is a qualifying partnership, within the meaning of section 433.15.4, in the taxation year;

“specified investor” has the meaning assigned by section 433.25;

“subscriber”, in relation to a registered education savings plan, has the meaning assigned by section 890.15 of the Taxation Act.

For the purposes of the first paragraph, “registered disability savings plan”, “registered education savings plan”, “registered retirement income fund”, “registered retirement savings plan” and “tax-free savings account” have the meaning assigned by section 1 of the Taxation Act.

For the purposes of the formulas in paragraphs 1 and 2 of the definition of “qualifying small investment plan” in the first paragraph,

(1) A is the amount determined in accordance with subsection 1 of section 7 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations for the reporting period or the amount that would be so determined if Québec were a participating province within the meaning of subsection 1 of section 123 of the Excise Tax Act;

(2) B is the number of days in the reporting period;

(3) C is the aggregate of all amounts each of which is an amount determined in accordance with subsection 1 of section 7 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations for a reporting period of the investment plan included in the fiscal year of the investment plan that precedes the particular fiscal year or an amount that would be so determined if Québec were a participating province within the meaning of subsection 1 of section 123 of the Excise Tax Act; and

(4) D is the number of days in the fiscal year that precedes the particular fiscal year.

2015, c. 21, s. 748; 2015, c. 36, s. 219; 2022, c. 23, s. 203.

**433.15.2.** A financial institution is not a selected listed financial institution throughout a reporting period in a particular fiscal year that ends in a particular taxation year where

(1) the financial institution is a qualifying small investment plan for the particular fiscal year, no election under section 433.15.5 or under subsection 1 of section 14 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) is in effect throughout the reporting period and

(a) the financial institution was a qualifying small investment plan for the financial institution’s fiscal year that precedes the particular fiscal year without being a selected listed financial institution throughout that preceding fiscal year,

(b) the financial institution was a selected listed financial institution throughout the financial institution's three fiscal years that precede the particular fiscal year, or

(c) the particular fiscal year is the financial institution's first fiscal year;

(2) the financial institution is referred to in the third paragraph of section 433.15.7 or in subsection 6 of section 14 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations throughout the reporting period;

(3) the financial institution is a provincial investment plan for the particular fiscal year;

(4) the financial institution is a stratified investment plan each series of which is a provincial series for the particular fiscal year;

(5) the financial institution is a private investment plan or a pension entity of a pension plan, if

(a) throughout the taxation year that precedes the particular taxation year, less than 10% of the total number of plan members of the financial institution are resident in Québec, and

(b) throughout the fiscal year that precedes the particular fiscal year, any of the following amounts is less than \$100,000,000:

i. in the case of a pension entity of a pension plan, part of which is a defined contribution pension plan and the remaining part of which is a defined benefits pension plan, the aggregate of the total value of the assets of the defined contribution pension plan that are reasonably attributable to the plan members of the financial institution resident in Québec and the total value of the actuarial liabilities of the defined benefits pension plan that are reasonably attributable to the plan members of the financial institution resident in Québec,

ii. in the case of a pension entity of a defined benefits pension plan, other than a pension entity referred to in subparagraph i, the amount that is the total value of the actuarial liabilities that are reasonably attributable to the plan members of the financial institution resident in Québec, and

iii. in any other case, the amount that is the total value of the assets of the private investment plan or pension plan that are reasonably attributable to the plan members of the financial institution resident in Québec; or

(6) the financial institution is a qualifying small investment plan for the particular fiscal year in respect of which the Minister has approved an application for the particular fiscal year filed under section 433.15.8 or the Minister of National Revenue has approved an application for the particular fiscal year filed under section 15 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations.

For the purposes of this section,

“defined benefits pension plan” means the part of a pension plan that is in respect of benefits under the plan that are determined in accordance with a formula set forth in the plan and under which the employer contributions are not determined in accordance with a formula set forth in the plan;

“defined contribution pension plan” means the part of a pension plan that is not a defined benefits pension plan.

2015, c. 21, s. 748.

**433.15.3.** For the purposes of paragraph 1 of the definition of “selected listed financial institution” in the first paragraph of section 433.15.1, the following rules apply:

(1) if a financial institution is a bank or a credit union and if, at any time in a taxation year of the financial institution, the financial institution maintains a deposit or other similar account that is in the name of a person

resident in a particular province or, at any time in that year, a loan that was made by the financial institution is outstanding and is secured by land situated in a particular province or, if not secured by land, is owing by a person resident in a particular province, the following rules apply:

(a) the financial institution is deemed to have a permanent establishment in the particular province throughout the taxation year, and

(b) an outstanding loan secured by land situated in the particular province and an outstanding loan, not secured by land, owing by a person resident in the particular province, where the loan is made by the financial institution, and a deposit or other similar account in the name of a person resident in the particular province that the financial institution maintains is deemed to be a loan or a deposit, as the case may be, of the permanent establishment referred to in subparagraph *a* and not of any other permanent establishment of the financial institution;

(2) if a financial institution is an insurer that, at any time in a taxation year of the financial institution, is insuring a risk in respect of property ordinarily situated in a particular province or in respect of a person resident in a particular province, the financial institution is deemed to have a permanent establishment in the particular province throughout the taxation year;

(3) if a financial institution is a trust and loan corporation, a trust corporation or a loan corporation and if, at any time in a taxation year of the financial institution, the financial institution conducts business (other than business in respect of loans) in a particular province or, at any time in that year, a loan that was made by the financial institution is outstanding and is secured by land situated in a particular province or, if not secured by land, is owing by a person resident in a particular province, the financial institution is deemed to have a permanent establishment in the particular province throughout the taxation year;

(4) if a financial institution is a segregated fund of an insurer, the financial institution is deemed to have a permanent establishment in a particular province throughout a taxation year of the financial institution if, at any time in the taxation year, the insurer is qualified, under the laws of Canada or a province, to sell units of the financial institution in the particular province, or a person resident in the particular province holds one or more units of the financial institution;

(5) if a financial institution is a distributed investment plan (other than a segregated fund of an insurer), the financial institution is deemed to have a permanent establishment in a particular province throughout a taxation year of the financial institution if, at any time in the taxation year, the financial institution is qualified, under the laws of Canada or a province, to sell or distribute units of the financial institution in the particular province, or a person resident in the particular province holds one or more units of the financial institution; and

(6) if a financial institution is a private investment plan or an investment plan that is a pension entity of a pension plan and, at any time in a taxation year of the financial institution, a plan member of the financial institution is resident in a particular province, the financial institution is deemed to have a permanent establishment in the particular province throughout the taxation year.

For the purposes of the first paragraph, and despite sections 11 to 11.1.1, a person resident in Canada is considered to be resident in the province

(1) if the person is an individual, where the person's principal mailing address in Canada is located;

(2) if the person is a corporation or a partnership, where the person's principal business in Canada is located;

(3) if the person is a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, a registered disability savings plan or a tax-free savings account, within the meaning assigned to those expressions by section 1 of the Taxation Act (chapter I-3), where the principal mailing address in Canada of the annuitant of the registered retirement savings plan or registered

retirement income fund, of the subscriber of the registered education savings plan or of the holder of the registered disability savings plan or tax-free savings account is located;

(4) if the person is a trust, other than a trust described in subparagraph 3, where the trustee's principal business in Canada is located or, if the trustee is not carrying on a business, where the trustee's principal mailing address in Canada is located; and

(5) in any other case, where the person's principal business in Canada is located or, if the person is not carrying on a business, where the person's principal mailing address in Canada is located.

A financial institution has a permanent establishment in a particular province throughout a taxation year of the financial institution if the financial institution has a permanent establishment in the particular province at any time in the taxation year.

2015, c. 21, s. 748; 2022, c. 23, s. 204.

**433.15.4.** For the purposes of paragraph 2 of the definition of “selected listed financial institution” in the first paragraph of section 433.15.1, a qualifying partnership during a taxation year of the qualifying partnership means a partnership (other than an investment plan) in respect of which the following conditions are met at any time in the taxation year:

(1) a member of the partnership has, at any time in the taxation year of the member in which the taxation year of the partnership ends, a permanent establishment in Québec through which a business of the partnership is carried on or a permanent establishment that is deemed under section 433.15.3 to be in Québec; and

(2) a member referred to in paragraph 1 or another member of the partnership has, at any time in the member's or the other member's taxation year in which the taxation year of the partnership ends, a permanent establishment in a province other than Québec through which a business of the partnership is carried on or a permanent establishment that is deemed under section 433.15.3 to be in such a province.

2015, c. 21, s. 748; 2022, c. 23, s. 205.

**433.15.5.** If an investment plan is, or reasonably expects to be, a qualifying small investment plan for a fiscal year that ends in the taxation year of the investment plan, if the conditions of subparagraph 5 of the first paragraph of section 433.15.2 are not met in respect of a reporting period in the fiscal year, if no application filed by the investment plan under section 433.15.8 in respect of the fiscal year has been approved by the Minister and if the investment plan does not, in the taxation year, meet the condition of paragraph *a* of section 9 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (R.S.C. 1985, c. E-15), the investment plan may make an election to be a selected listed financial institution.

An election under the first paragraph is to

(1) be made in the prescribed form containing prescribed information;

(2) set out the first fiscal year of the investment plan during which the election is to be in effect; and

(3) be filed with the Minister, in the manner determined by the Minister, on or before the first day of the fiscal year referred to in subparagraph 2 or any later day determined by the Minister.

2015, c. 21, s. 748.

**433.15.6.** An election made under section 433.15.5 by a person becomes effective on the first day of the fiscal year for which it is made and ceases to have effect on the earliest of

(1) the first day of a fiscal year that ends in the first taxation year of the person for which the person does not meet the condition of paragraph 1 of the definition of “selected listed financial institution” in the first paragraph of section 433.15.1;

(2) the first day of the fiscal year of the person in which the person ceases to be an investment plan;

(3) the first day of a fiscal year that ends in the taxation year of the person for which the person meets the condition of paragraph *a* of section 9 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (R.S.C. 1985, c. E-15); and

(4) the day on which a revocation of the election, in accordance with section 433.15.7, becomes effective.

2015, c. 21, s. 748.

**433.15.7.** An investment plan that has made an election under section 433.15.5 may revoke the election and the revocation becomes effective on the first day of a particular fiscal year of the investment plan that begins at least three years after the election became effective, or, if authorized by the Minister, on the first day of any preceding fiscal year of the investment plan.

An investment plan that intends to revoke an election under the first paragraph shall file with the Minister, in the manner determined by the Minister, a notice of revocation in the prescribed form containing prescribed information, on or before the first day of the particular fiscal year or of the preceding fiscal year, as the case may be, or any later day determined by the Minister.

If, under the first paragraph, the Minister allows an investment plan to revoke an election made under section 433.15.5 on the first day of a particular fiscal year that begins less than three years after the election became effective and the investment plan is a qualifying small investment plan for the particular fiscal year, the investment plan is not a selected listed financial institution throughout a reporting period in the particular fiscal year.

2015, c. 21, s. 748.

**433.15.8.** An investment plan that does not meet the condition of paragraph *a* of section 9 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (R.S.C. 1985, c. E-15) during the taxation year of the investment plan in which a particular fiscal year ends may file an application with the Minister, in the manner determined by the Minister, in the prescribed form containing prescribed information, on or before the 90th day before the first day of the particular fiscal year, or any later day determined by the Minister, to have the investment plan not be a selected listed financial institution throughout a reporting period included in the particular fiscal year or the following fiscal year.

Within 90 days of receiving the application of an investment plan in respect of a particular fiscal year of the investment plan and the following fiscal year, the Minister shall consider the application, approve or refuse it, according to whether it is reasonable, based on the information in the possession of the Minister, to expect that the investment plan will be a qualifying small investment plan for those two fiscal years, and shall, within that time limit, notify the investment plan of the decision in writing.

An application filed under the first paragraph that is approved by the Minister for a particular fiscal year of an investment plan and for the following fiscal year of the investment plan is deemed not to have been approved for the following fiscal year if the investment plan meets, for the following fiscal year, the condition of paragraph *a* of section 9 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations.

2015, c. 21, s. 748.



§ 2. — *Special application rules*

2015, c. 21, s. 748.

**433.15.9.** Where a particular provision of this subdivision III, or of the regulations made under it, refers, in respect of a financial institution that is a selected listed financial institution throughout a reporting period in a fiscal year and that is also a selected listed financial institution for the purposes of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15) throughout the reporting period, to the value of an element in a formula in the Excise Tax Act or a regulation made under that Act, or to the value such an element would have, in respect of the financial institution as regards Québec, if Québec were a participating province within the meaning of subsection 1 of section 123 of that Act, that value is to be determined with reference to any election, authorization or agreement that is in effect for the reporting period for the purposes of the Excise Tax Act or a regulation made under that Act.

2015, c. 21, s. 748.

**433.15.10.** Where a provision of this subdivision III, or of the regulations made under it, refers, in respect of an investment plan, to the percentage applicable to the investment plan that would be determined as regards Québec under subsection 2 of section 225.2 of the Excise Tax Act (R.S.C. 1985, c. E-15) or Parts 2 and 5 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under that Act if Québec were a participating province within the meaning of subsection 1 of section 123 of that Act, or to a value that requires that that percentage be determined, the following rules apply:

(1) where the investment plan is a selected listed financial institution for the purposes of Part IX of the Excise Tax Act throughout a reporting period in a particular fiscal year, Québec is deemed not to be the participating province having the highest tax rate on the first day of the particular fiscal year; and

(2) where the investment plan is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act throughout a reporting period in a particular fiscal year, Québec is deemed to be the participating province having the highest tax rate on the first day of the particular fiscal year.

2015, c. 21, s. 748.

**433.15.11.** For the purposes of this subdivision III and the regulations made under it, if a financial institution that is a selected listed financial institution throughout a particular reporting period in a fiscal year is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15) throughout the particular period and one or more parts of the business of the financial institution for the particular period consist of operations normally conducted by any of the types of financial institutions described in any of sections 24 to 26 and 29 to 38 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under that Act, the financial institution and the Minister may agree that the percentage applicable to the financial institution as regards Québec for the particular period that would be determined under subsection 2 of section 225.2 of that Act, or Parts 2 and 5 of those Regulations, if Québec were a participating province within the meaning of subsection 1 of section 123 of that Act, be determined as provided for in section 39 of those Regulations.

The first paragraph does not apply in respect of a financial institution described in any of sections 24 to 26 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations.

2015, c. 21, s. 748.

**433.15.12.** For the purposes of this subdivision III and the regulations made under it, if a particular fiscal year would be, in the absence of this section, the first fiscal year of an investment plan, the following rules apply:

(1) the investment plan is deemed to have both another fiscal year that immediately precedes the particular fiscal year, and another taxation year that immediately precedes the taxation year in which the particular fiscal year ends; and

(2) the other fiscal year referred to in paragraph 1 is deemed to end in the other taxation year referred to in that paragraph.

2015, c. 21, s. 748.

**433.15.13.** For the purposes of this subdivision III and the regulations made under it, if an investment plan results from a plan merger, within the meaning of subsection 1 of section 16 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (R.S.C. 1985, c. E-15), and it is a selected listed financial institution immediately after the merger, the fiscal year of the investment plan that precedes the fiscal year that includes the day on which the merger occurs and the fiscal year that includes that day are each deemed to end in a different taxation year of the investment plan and both of those taxation years are deemed to follow each other in the same order as the corresponding fiscal years.

2015, c. 21, s. 748.

§ 3. — *Special attribution method*

2015, c. 21, s. 749.

**433.16.** In determining the net tax for a particular reporting period in a fiscal year that ends in a taxation year of a selected listed financial institution of a prescribed class that is neither a non-stratified investment plan referred to in the fifth paragraph of section 433.16.2 nor a stratified investment plan, the financial institution shall add the positive amount or deduct the negative amount determined by the formula

$$[(A - B) \times C \times (D/E)] - F + G.$$

For the purposes of the formula in the first paragraph,

(1) A is the value of A in the formula in subsection 2 of section 225.2 of the Excise Tax Act (R.S.C. 1985, c. E-15), determined for the particular reporting period, or the value A would have in that formula for the particular reporting period if the financial institution were a selected listed financial institution for the purposes of that Act;

(2) B is the value of B in the formula in subsection 2 of section 225.2 of the Excise Tax Act, determined for the particular reporting period, or the value B would have in that formula for the particular reporting period if the financial institution were a selected listed financial institution for the purposes of that Act;

(3) C is

(a) where the financial institution is an investment plan and no election under section 433.19.4 or under section 50 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act is in effect throughout the fiscal year, the percentage corresponding to the value C would have in the formula in subsection 2 of section 225.2 of the Excise Tax Act, determined for the preceding taxation year, for the financial institution as regards Québec, if Québec were a participating province within the meaning of subsection 1 of section 123 of that Act, and

(b) in any other case, the percentage corresponding to the value C would have in the formula in subsection 2 of section 225.2 of the Excise Tax Act, determined for the taxation year, for the financial institution as regards Québec, if Québec were a participating province within the meaning of subsection 1 of section 123 of that Act;

(4) D is the tax rate specified in the first paragraph of section 16;

(5) E is the tax rate specified in subsection 1 of section 165 of the Excise Tax Act;

(6) F is the total of

(a) the aggregate of all amounts each of which is the tax (other than a prescribed amount of tax) under the first paragraph of section 16 in respect of supplies made to the financial institution, or under the first paragraph of section 17 in respect of corporeal property brought into Québec from outside Canada by the financial institution, that

i. became payable, or was paid without having become payable, by the financial institution during the particular reporting period or any of the reporting periods described in the fourth paragraph,

ii. was not included in determining the positive or negative amounts that the financial institution is required to add, or may deduct, under this section or section 433.16.2 in determining its net tax for any reporting period other than the particular reporting period, and

iii. is claimed by the financial institution in a return under Division IV filed by the financial institution for the particular reporting period, and

(b) where the financial institution has made an election under subsection 4 of section 225.2 of the Excise Tax Act, or under section 433.17, in respect of a supply of property or a service made by another person to the financial institution during the particular reporting period, the aggregate of all amounts each of which is an amount equal to the tax payable by the other person under the first paragraph of section 16, the first paragraph of section 17, or section 18 or 18.0.1 that is included in the cost to the other person of supplying the property or service to the financial institution; and

(7) G is the total of all amounts each of which is a positive or negative prescribed amount.

A selected listed financial institution that is a non-stratified investment plan throughout a particular reporting period in a particular fiscal year may elect in the prescribed form containing prescribed information that the value of A, described in subparagraph 1 of the second paragraph, be determined for the particular reporting period as if an election under section 60 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations were in effect, if

(1) the investment plan is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act throughout the particular reporting period;

(2) units of the investment plan are issued, distributed or offered for sale in the particular fiscal year and immediately before the issuance, distribution or offering for sale no units of the investment plan are issued and outstanding; and

(3) no election under section 433.19.1 or 433.19.10 is in effect in respect of the investment plan and the particular fiscal year.

A reporting period to which subparagraph i of subparagraph a of subparagraph 6 of the second paragraph applies, in relation to a particular reporting period, is any reporting period that precedes the particular reporting period, provided that the particular reporting period ends within two years after the end of the financial institution's fiscal year that includes the preceding reporting period and the financial institution was a selected listed financial institution throughout the preceding reporting period.

2012, c. 28, s. 157; 2013, c. 10, s. 237; 2015, c. 21, s. 750; 2020, c. 16, s. 235.

**433.16.1.** A selected listed financial institution that is a non-stratified investment plan throughout a particular reporting period in a particular fiscal year may elect in the prescribed form containing prescribed information that the value of C in the formula in the first paragraph of section 433.16 be determined as if an election under subclause I of clause B of subparagraph ii of paragraph d of section 59 of the Selected Listed

Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (R.S.C. 1985, c. E-15) had been made, if

(1) the investment plan is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act throughout the particular reporting period;

(2) units of the investment plan are issued, distributed or offered for sale in the particular fiscal year and immediately before the issuance, distribution or offering for sale no units of the investment plan are issued and outstanding;

(3) no election under the third paragraph of section 433.16 or under section 433.19.1 or 433.19.10 is in effect in respect of the investment plan and the particular fiscal year;

(4) the reconciliation day, within the meaning of subparagraph ii of paragraph *a* of section 59 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, is not included in the particular fiscal year; and

(5) no election under section 433.19.4 is in effect throughout the particular fiscal year.

A selected listed financial institution that is a non-stratified investment plan (other than an exchange-traded fund) throughout a particular reporting period in a particular fiscal year may elect in the prescribed form containing prescribed information that the value of C in the formula in the first paragraph of section 433.16 be determined as if an election under paragraph *b* of section 60.1 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations had been made, if

(1) the investment plan is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act throughout the particular reporting period;

(2) units of the investment plan are issued, distributed or offered for sale in the particular fiscal year and immediately before the issuance, distribution or offering for sale no units of the investment plan are issued and outstanding;

(3) the fifth paragraph of section 433.16.2 does not apply to the investment plan for the particular reporting period; and

(4) paragraph *d* of section 59 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations would not be applicable to the investment plan if Québec were a participating province within the meaning of subsection 1 of section 123 of the Excise Tax Act.

2015, c. 21, s. 751.

**433.16.2.** A selected listed financial institution that is a stratified investment plan or a non-stratified investment plan referred to in the fifth paragraph shall, in determining its net tax for a particular reporting period in a fiscal year that ends in its taxation year, add the positive amount or deduct the negative amount, as the case may be, determined by the formula

$$[A \times (B/C)] - D + E.$$

For the purposes of the formula in the first paragraph,

(1) A is

(a) where the financial institution is a stratified investment plan, the value A would have in the formula in subsection 1 of section 48 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (R.S.C. 1985, c. E-15), determined for the particular reporting period, for the financial institution as regards Québec, if Québec were a participating province within the meaning of subsection 1 of section 123 of that Act, and

(b) where the financial institution is a non-stratified investment plan, the value A would have in the formula in subsection 2 of section 48 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, determined for the particular reporting period, for the financial institution as regards Québec, if Québec were a participating province within the meaning of subsection 1 of section 123 of the Excise Tax Act;

(2) B is the tax rate specified in the first paragraph of section 16;

(3) C is the tax rate specified in subsection 1 of section 165 of the Excise Tax Act;

(4) D is the total of

(a) the aggregate of all amounts each of which is the tax (other than a prescribed amount of tax) under the first paragraph of section 16 in respect of supplies made to the financial institution or under the first paragraph of section 17 in respect of corporeal property brought into Québec from outside Canada, that

i. became payable by the financial institution, or was paid by the financial institution without having become payable, during the particular reporting period or any of the reporting periods described in the fourth paragraph,

ii. was not included in determining the positive or negative amounts that the financial institution shall add, or may deduct, under this section or section 433.16 in determining its net tax for a reporting period other than the particular reporting period, and

iii. is specified by the financial institution in a statement it files under Division IV for the particular reporting period, and

(b) where the financial institution made an election under subsection 4 of section 225.2 of the Excise Tax Act or under section 433.17, in respect of a supply of property or a service made by another person to the financial institution in the particular reporting period, the aggregate of all amounts each of which is an amount equal to the tax payable by the other person under the first paragraph of section 16, the first paragraph of section 17, or section 18 or 18.0.1 that is included in the cost to the other person of supplying the property or service to the financial institution; and

(5) E is the total of all amounts each of which is a positive or negative prescribed amount.

A selected listed financial institution that is a stratified investment plan throughout a particular reporting period in a particular fiscal year may elect in the prescribed form containing prescribed information, in respect of a series of the stratified investment plan, that the value of A, described in subparagraph 1 of the second paragraph, be determined for the particular reporting period as if an election under section 63 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, in respect of the series, were in effect, if

(1) the investment plan is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act throughout the particular reporting period;

(2) units of the series are issued, distributed or offered for sale in the particular fiscal year and immediately before the issuance, distribution or offering for sale no units of the series are issued and outstanding; and

(3) no election under section 433.19.1 or 433.19.11 is in effect in respect of the series and the particular fiscal year.

For the purposes of subparagraph *i* of subparagraph *a* of subparagraph 4 of the second paragraph, a reporting period to which this paragraph applies is, in respect of a particular reporting period, a reporting period preceding the particular reporting period provided that the particular reporting period ends no later than two years after the end of the fiscal year of the financial institution that includes the preceding reporting period and the financial institution has been a selected listed financial institution throughout the preceding reporting period.

If a selected listed financial institution is a non-stratified investment plan, this section applies, in respect of a particular reporting period, only if an election under section 49 or 61 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations or under section 433.19.1 or 433.19.10 is in effect throughout the particular reporting period.

2015, c. 21, s. 751; 2022, c. 23, s. 206.

**433.16.3.** A selected listed financial institution that is a stratified investment plan throughout a particular reporting period in a particular fiscal year may elect, in respect of a series of the stratified investment plan (other than an exchange-traded series), in the prescribed form containing prescribed information that the value of *A* in the formula in the first paragraph of section 433.16.2 be determined as if an election under paragraph *b* of section 63.1 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (R.S.C. 1985, c. E-15) had been made, in respect of the series, if

(1) the investment plan is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act throughout the particular reporting period;

(2) units of the series are issued, distributed or offered for sale in the particular fiscal year and immediately before the issuance, distribution or offering for sale no units of the series are issued and outstanding;

(3) no election under section 433.19.1 or 433.19.11 is in effect in respect of the series and the particular fiscal year; and

(4) paragraph *d* of section 62 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations would not be applicable to the series if Québec were a participating province within the meaning of subsection 1 of section 123 of the Excise Tax Act.

2015, c. 21, s. 751.

**433.17.** Where a selected listed financial institution is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15) and the financial institution and a person, who is neither a prescribed person or a person of a prescribed class nor a selected listed financial institution for the purposes of that Part IX, have made the joint election required under section 297.0.2.1, the financial institution may make an election, in the prescribed form containing prescribed information, to have the value of *A* in the formula in the first paragraph of section 433.16 or 433.16.2 determined as if an election under subsection 4 of section 225.2 of the Excise Tax Act were in effect and applied to every supply referred to in section 297.0.2.1 that is made by the person to the financial institution at a time when the election made under this section is in effect.

2012, c. 28, s. 157; 2015, c. 21, s. 752; 2017, c. 1, s. 450; 2020, c. 16, s. 236; 2022, c. 23, s. 207.

**433.18.** *(Repealed).*

2012, c. 28, s. 157; 2020, c. 16, s. 237.

**433.19.** An election made under section 433.17 by a financial institution in respect of supplies made by a person to the financial institution is effective for the period beginning on the day specified in the document evidencing the election and ending on the earliest of

- (1) the day the election required under section 297.0.2.1 and made jointly by the financial institution and the person ceases to be effective;
- (2) the day specified in a notice of revocation of the election made under section 433.19.0.1;
- (3) the day the person becomes a prescribed person or a person of a prescribed class for the purposes of section 433.17; and
- (4) the day the financial institution ceases to be a selected listed financial institution.

2012, c. 28, s. 157; 2020, c. 16, s. 238.

**433.19.0.1.** A selected listed financial institution that has made an election under section 433.17 may revoke the election by a notice of revocation, in the prescribed form containing prescribed information, and the revocation becomes effective on the day specified in the notice, which day is at least 365 days after the day on which the election becomes effective.

2020, c. 16, s. 239; 2022, c. 23, s. 208.

**433.19.0.2.** Where a particular selected listed financial institution makes an election under section 433.17 in respect of supplies made by another selected listed financial institution to the particular financial institution, the particular financial institution shall, in the manner determined by the Minister,

- (1) notify the other financial institution of the election and of the day it becomes effective on or before that day or any later day that the Minister may determine; and
- (2) if the election ceases to be effective, notify the other financial institution of the day that the election ceases to be effective on or before that day or any later day that the Minister may determine.

2020, c. 16, s. 239.

**433.19.1.** If a selected listed financial institution is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15) and it is an investment plan, it may,

- (1) where the financial institution is a stratified investment plan (other than a mortgage investment corporation), elect, in respect of a series of the investment plan (other than an exchange-traded series), that the value of A in the formula in the first paragraph of section 433.16.2 for a reporting period in a fiscal year in which the election is in effect be determined as if an election under section 49 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act in respect of the series were in effect throughout the reporting period; or
- (2) where the financial institution is a non-stratified investment plan (other than an exchange-traded fund or a mortgage investment corporation), elect that the value of A in the formula in the first paragraph of section 433.16.2 for a reporting period in a fiscal year in which the election is in effect be determined as if an election under section 49 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations were in effect throughout the reporting period.

An election under the first paragraph is not to become effective if

- (1) on the day on which the election is otherwise to become effective, an election made by the financial institution under section 433.19.7 or 433.19.11 in respect of the series, in the case of a stratified investment plan, or under section 433.19.7 or 433.19.10 in respect of the investment plan, in the case of a non-stratified investment plan, is in effect;

(2) on the day on which the election is otherwise to become effective, an election made by the financial institution under section 433.19.4 is in effect; or

(3) on 30 September immediately preceding the day on which the election is otherwise to become effective, less than 90% of the total value of the units of the series or of the investment plan, as the case may be, is held by individuals or specified investors in the investment plan.

2015, c. 21, s. 753.

**433.19.2.** An election under section 433.19.1 is to

(1) be made in the prescribed form containing prescribed information;

(2) set out the first fiscal year of the financial institution in which it is to be in effect; and

(3) specify whether the investment plan's percentages, or the investment plan's percentages for the series of the investment plan to which the election relates, which are used in determining the value of A in the formula in the first paragraph of section 433.16.2, are to be determined on a daily basis, a weekly basis, a monthly basis or a quarterly basis.

If an election under section 433.19.1 ceases to have effect on a particular day, any subsequent election under that section is not a valid election unless the first day of the fiscal year set out in the subsequent election is a day that is at least three years after the particular day.

2015, c. 21, s. 753.

**433.19.3.** An election made under section 433.19.1 by a person becomes effective on the first day of the person's fiscal year that is set out in the election and ceases to have effect on the earliest of

(1) where, in a particular fiscal year of the person, more than 10% of the total value either of the units of the series in respect of which the election is in effect, if the person is a stratified investment plan, or of the units of the investment plan, if the person is a non-stratified investment plan, is held by persons other than individuals or specified investors in the investment plan for the particular fiscal year, the first day immediately following the particular fiscal year;

(2) the first day of the person's fiscal year in which the person either ceases to be an investment plan or a selected listed financial institution or becomes a selected listed financial institution for the purposes of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15) or a mortgage investment corporation;

(3) where the person is a stratified investment plan, the first day of the person's fiscal year in which the series in respect of which the election is in effect becomes an exchange-traded series, or where the person is a non-stratified investment plan, the first day of the person's fiscal year in which the person becomes an exchange-traded fund; and

(4) the day on which a revocation of the election becomes effective.

A person that has made an election under section 433.19.1 may revoke the election by filing a notice of revocation with the Minister in the prescribed form containing prescribed information, and the revocation becomes effective on the first day of a particular fiscal year of the person that begins at least three years after the election became effective.

2015, c. 21, s. 753.

**433.19.4.** If a selected listed financial institution is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15) and it is an investment plan, it may,



(1) where the financial institution is a stratified investment plan, elect that the value of A in the formula in the first paragraph of section 433.16.2 for a reporting period in a fiscal year in which the election is in effect be determined as if an election under section 50 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act were in effect throughout the reporting period; or

(2) where the financial institution is an investment plan that is neither a non-stratified investment plan referred to in the fifth paragraph of section 433.16.2 nor a stratified investment plan, elect that the value of C in the formula in the first paragraph of section 433.16 for a reporting period in the fiscal year in which the election is in effect be determined as if an election under section 50 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations were in effect throughout the reporting period.

An election made under the first paragraph is not to become effective if, on the day on which the election is otherwise to become effective, an election made by the financial institution under section 433.19.1 or 433.19.11 in respect of a series, in the case of a stratified investment plan, or under section 433.19.1 or 433.19.10 in respect of the investment plan, in the case of a non-stratified investment plan, is in effect.

2015, c. 21, s. 753.

**433.19.5.** An election under section 433.19.4 is to

- (1) be made in the prescribed form containing prescribed information; and
- (2) set out the first fiscal year of the financial institution in which the election is to be in effect.

If an election under section 433.19.4 ceases to have effect on a particular day, any subsequent election under that section is not a valid election unless the first day of the fiscal year set out in the subsequent election is a day that is at least three years after the particular day.

2015, c. 21, s. 753.

**433.19.6.** An election made under section 433.19.4 by a person becomes effective on the first day of the person's fiscal year that is set out in the election and ceases to have effect on the earlier of

- (1) the first day of the person's fiscal year in which the person either ceases to be an investment plan or a selected listed financial institution or becomes a selected listed financial institution for the purposes of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15); and
- (2) the day on which a revocation of the election becomes effective.

A person that has made an election under section 433.19.4 may revoke the election by filing a notice of revocation with the Minister in the prescribed form containing prescribed information, and the revocation becomes effective on the first day of a particular fiscal year of the person that begins at least three years after the election became effective.

2015, c. 21, s. 753.

**433.19.7.** If a selected listed financial institution is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15) and it is an investment plan, it may,

- (1) where the financial institution is a stratified investment plan, elect, in respect of a series of the investment plan, that the value of A in the formula in the first paragraph of section 433.16.2 for a reporting period in a fiscal year in which the election is in effect be determined as if an election under subsection 1 of section 18 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act in respect of the series were in effect throughout the reporting period; or

(2) where the financial institution is an investment plan (other than a stratified investment plan), elect, in respect of the investment plan, that the value of C in the formula in the first paragraph of section 433.16 for a reporting period in a fiscal year in which the election is in effect be determined as if an election under subsection 2 of section 18 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations in respect of the investment plan were in effect throughout the reporting period.

An election made under the first paragraph is not to become effective if, on the day on which the election is otherwise to become effective, an election made by the financial institution under section 433.19.1 or 433.19.11 in respect of the series, in the case of a stratified investment plan, or under section 433.19.1 or 433.19.10 in respect of the investment plan, in the case of a non-stratified investment plan, is in effect.

2015, c. 21, s. 753.

**433.19.8.** An election under section 433.19.7 is to

- (1) be made in the prescribed form containing prescribed information;
- (2) set out the first fiscal year of the investment plan in which the election is to be in effect; and
- (3) specify whether the attribution points in respect of the investment plan or a series of the investment plan, as the case may be, which are used in determining the value of C in the formula in the first paragraph of section 433.16 or the value of A in the formula in the first paragraph of section 433.16.2, are to be quarterly, monthly, weekly or daily.

If an election under section 433.19.7 ceases to have effect on a particular day, any subsequent election under that section is not a valid election unless the first day of the fiscal year set out in the subsequent election is a day that is at least three years after the particular day.

2015, c. 21, s. 753.

**433.19.9.** An election made under section 433.19.7 by a person becomes effective on the first day of the person's fiscal year that is set out in the election and ceases to have effect on the earlier of

- (1) the first day of the person's fiscal year in which the person either ceases to be an investment plan or a selected listed financial institution or becomes a selected listed financial institution for the purposes of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15); and
- (2) the day on which a revocation of the election becomes effective.

A person that has made an election under section 433.19.7 may revoke the election by filing a notice of revocation with the Minister in the prescribed form containing prescribed information, and the revocation becomes effective on the first day of a particular fiscal year of the person that begins at least three years after the election became effective.

2015, c. 21, s. 753.

**433.19.10.** A selected listed financial institution that is a non-stratified investment plan throughout a particular reporting period in a particular fiscal year may elect in the prescribed form containing prescribed information that the value of A in the formula in the first paragraph of section 433.16.2 be determined as if an election under section 61 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (R.S.C. 1985, c. E-15) had been made in respect of the particular fiscal year if

- (1) the investment plan is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act throughout the particular reporting period;

(2) units of the investment plan are issued, distributed or offered for sale in the particular fiscal year and immediately before the issuance, distribution or offering for sale no units of the investment plan are issued and outstanding; and

(3) no election under section 433.19.1 or the third paragraph of section 433.16 is in effect in respect of the investment plan and the particular fiscal year.

An election made under the first paragraph by a non-stratified investment plan is to specify whether the investment plan's percentage as regards Québec, which is used in determining the value of A in the formula in the first paragraph of section 433.16.2, is to be determined by using investor percentages and whether that percentage is to be determined on a daily basis, a weekly basis, a monthly basis or a quarterly basis.

2015, c. 21, s. 753.

**433.19.11.** A selected listed financial institution that is a stratified investment plan throughout a particular reporting period in a particular fiscal year may elect in the prescribed form containing prescribed information that the value of A in the formula in the first paragraph of section 433.16.2 be determined in respect of a particular series of the investment plan as if an election under section 64 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (R.S.C. 1985, c. E-15) had been made in respect of the particular series and the particular fiscal year if

(1) the investment plan is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act throughout the particular reporting period;

(2) units of the series of the investment plan are issued, distributed or offered for sale in the particular fiscal year and immediately before the issuance, distribution or offering for sale no units of the series are issued and outstanding; and

(3) no election made under section 433.19.1 or the third paragraph of section 433.16.2 is in effect in respect of the particular series and the particular fiscal year.

An election made under the first paragraph by a stratified investment plan in respect of a series of the investment plan is to specify whether the investment plan's percentage for the series and as regards Québec, which is used in determining the value of A in the formula in the first paragraph of section 433.16.2, is to be determined by using investor percentages and whether that percentage is to be determined on a daily basis, a weekly basis, a monthly basis or a quarterly basis.

2015, c. 21, s. 753.

**433.19.12.** A selected listed financial institution that is an exchange-traded fund, but is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15) throughout a reporting period in a particular fiscal year, may apply to the Minister to use particular methods, for the particular fiscal year that ends in a particular taxation year, to determine

(1) where the financial institution is a stratified investment plan, the financial institution's percentage, for each exchange-traded series of the financial institution and as regards Québec for the particular taxation year, that is used in determining the value of A in the formula in the first paragraph of section 433.16.2; and

(2) where the financial institution is a non-stratified investment plan, the financial institution's percentage, as regards Québec for the particular taxation year, that is referred to in subparagraph 3 of the second paragraph of section 433.16.

2015, c. 21, s. 753.

**433.19.13.** An application under section 433.19.12 is to

(1) be made in the prescribed form containing prescribed information;

(2) include, if the financial institution is a stratified investment plan, the particular methods to be used for each exchange-traded series of the financial institution or, if the financial institution is a non-stratified investment plan, the particular methods to be used by the financial institution; and

(3) be filed with the Minister, in the manner determined by the Minister, on or before the day that is 180 days before the first day of the fiscal year for which the application is made or any later day determined by the Minister.

The Minister shall consider an application made under the first paragraph and notify the financial institution in writing of the Minister's decision to authorize or deny the use of the particular methods described in the application, on or before the latest of

(1) the day that is 180 days after the receipt of the application;

(2) the day that is 180 days before the first day of the fiscal year for which the application is made; and

(3) the day that the Minister may specify, if the day is set out in a written application filed by the financial institution with the Minister.

An authorization granted under the second paragraph in respect of a fiscal year of a financial institution ceases to have effect on the first day of the fiscal year and, for the purposes of this Title, is deemed never to have been granted, if

(1) the Minister revokes the authorization and sends a notice of revocation to the financial institution at least 60 days before the first day of the fiscal year; or

(2) the financial institution files with the Minister, in the manner determined by the Minister, a notice of revocation in the prescribed form containing prescribed information on or before the first day of the fiscal year.

2015, c. 21, s. 753.

**433.19.14.** Where, in accordance with the second paragraph of section 433.19.13, the Minister authorizes the use of particular methods for a fiscal year of a selected listed financial institution, the following rules apply:

(1) if the financial institution is a stratified investment plan, the percentage for the taxation year in which the fiscal year ends that is used in determining, for an exchange-traded series of the financial institution, the value of A in the formula in the first paragraph of section 433.16.2 is determined in accordance with those particular methods;

(2) if the financial institution is a non-stratified investment plan, the percentage for the taxation year in which the fiscal year ends that is referred to in subparagraph 3 of the second paragraph of section 433.16 is determined in accordance with those particular methods; and

(3) to determine the percentage referred to in paragraph 1 or 2, the particular methods must be used consistently by the financial institution throughout the fiscal year and as specified in the application it filed for that purpose.

2015, c. 21, s. 753.

**433.19.15.** A selected listed financial institution that is a stratified investment plan, but is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15), may elect, in respect of a series of the financial institution, that paragraph *a* of subsection 3 of section 225.4 of that Act not be taken into account for the purpose of determining the financial institution's percentage, for the series and as regards Québec, that is used in determining the value of A in the formula in the first paragraph of section 433.16.2 for a reporting period in a fiscal year in which the election is in effect.

A selected listed financial institution that is a non-stratified investment plan, but is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act, may elect that paragraph *a* of subsection 4 of section 225.4 of that Act not be taken into account for the purpose of determining the financial institution's percentage as regards Québec that is used in determining the value of C in the formula in the first paragraph of section 433.16 or the value of A in the formula in the first paragraph of section 433.16.2, as the case may be, for a reporting period in a fiscal year in which the election is in effect.

A selected listed financial institution that is a pension entity of a pension plan or a private investment plan, but is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act, may elect that paragraph *a* of subsection 5 of section 225.4 of that Act not be taken into account for the purpose of determining the financial institution's percentage as regards Québec that is used in determining the value of C in the formula in the first paragraph of section 433.16 for a reporting period in a fiscal year in which the election is in effect.

2015, c. 21, s. 753.

**433.19.16.** An election under section 433.19.15 is to

- (1) be made in the prescribed form containing prescribed information;
- (2) set out the first fiscal year of the person during which the election is to be in effect; and
- (3) be filed with the Minister, in the manner determined by the Minister, on or before the first day of the fiscal year or any later day determined by the Minister.

If an election under section 433.19.15 is revoked and such revocation becomes effective on a particular day, in accordance with section 433.19.17, any subsequent election under section 433.19.15 is not a valid election unless the first day of the fiscal year set out in the subsequent election is a day that is at least five years after the particular day or any earlier day as the Minister may determine on application by the person.

2015, c. 21, s. 753.

**433.19.17.** An election made under section 433.19.15 by a person becomes effective on the first day of the fiscal year of the person that is specified in the election and ceases to have effect on the earliest of

- (1) the first day of the fiscal year of the person in which the person ceases to be a selected listed financial institution;
- (2) the first day of the fiscal year of the person in which the person becomes a selected listed financial institution for the purposes of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15);
- (3) in the case of an election made under the first paragraph of section 433.19.15, the first day of the fiscal year of the person in which the person ceases to be a stratified investment plan;
- (4) in the case of an election made under the second paragraph of section 433.19.15, the first day of the fiscal year of the person in which the person ceases to be a non-stratified investment plan;
- (5) in the case of an election made under the third paragraph of section 433.19.15, the first day of the fiscal year of the person in which the person ceases to be a pension entity or a private investment plan, as the case may be; and
- (6) the day on which a revocation of the election becomes effective.

A person that has made an election under section 433.19.15 may revoke the election and the revocation becomes effective on the first day of a particular fiscal year of the person that is at least five years after the effective date of the election or, if the Minister authorizes it, on the first day of an earlier fiscal year of the person.

A person that intends to revoke an election under the second paragraph shall file with the Minister, in the manner determined by the Minister, a notice of revocation in the prescribed form containing prescribed information on or before the first day of the particular fiscal year or of the earlier fiscal year, as the case may be.

2015, c. 21, s. 753.

**433.19.18.** For the purposes of section 433.16.2 and the first paragraph of section 433.19.19, the attribution point that is used in determining the value of A in the formula in the first paragraph of section 433.16.2 in respect of a series, where the financial institution is a stratified investment plan, means, for all taxation years of the investment plan in which a fiscal year that ends in the calendar year 2013 ends and for the taxation year that precedes the earliest of those taxation years, the day determined by the financial institution, which day must be in the calendar year 2012, if

(1) no election made by the financial institution under section 433.19.7 in respect of a series of the investment plan is in effect throughout a fiscal year of the investment plan that ends before 1 January 2014; and

(2) the investment plan is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15) throughout a reporting period in a fiscal year that ends in the calendar year 2013.

For the purposes of section 433.16 and the second paragraph of section 433.19.19, the attribution point that is used in determining the percentage referred to in subparagraph 3 of the second paragraph of section 433.16, where the financial institution is a non-stratified investment plan, means, for all taxation years of the investment plan in which a fiscal year that ends in the calendar year 2013 ends and for the taxation year that precedes the earliest of those taxation years, the day determined by the financial institution, which day must be in the calendar year 2012, if

(1) no election made by the financial institution under section 433.19.7 in respect of the investment plan is in effect throughout a fiscal year of the investment plan that ends before 1 January 2014; and

(2) the investment plan is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act throughout a reporting period in a fiscal year that ends in the calendar year 2013.

2015, c. 21, s. 753.

**433.19.19.** If a selected listed financial institution is a stratified investment plan throughout a reporting period in a particular fiscal year that ends in the calendar year 2013, no election under section 433.19.1 or 433.19.11 is in effect in respect of a series of the financial institution throughout a fiscal year that ends in the calendar year 2013, no election under section 433.19.4 is in effect throughout such a fiscal year and the investment plan is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15), the financial institution may elect in the prescribed form containing prescribed information that, in respect of each of its series (other than an exchange-traded series), the financial institution's percentage for each of those series and as regards Québec, which is used in determining the value of A in the formula in the first paragraph of section 433.16.2, for a taxation year (in this section referred to as the "specified taxation year") that is either the taxation year in which the particular fiscal year ends or the taxation year preceding that taxation year, correspond to the percentage that would be the financial institution's percentage determined under section 30 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act for the specified taxation year if Québec were a participating province within the meaning of subsection 1 of section 123 of that Act and the following assumptions were taken into account:

(1) where, on an attribution point in respect of the series for the specified taxation year that is used in determining the value of A in the formula in the first paragraph of section 433.16.2, less than 10% of the total value of the units of the series are held by investors (in this section referred to as "institutional investors") that are neither individuals nor specified investors in the financial institution for the particular fiscal year, all units

of the series held, on the attribution point, by an institutional investor in respect of which the financial institution does not know, on 31 December 2013, the institutional investor's investor percentage as regards Québec as of the attribution point did not exist on the attribution point;

(2) where subparagraph 1 does not apply in respect of an attribution point in respect of the series for the specified taxation year that is used in determining the value of A in the formula in the first paragraph of section 433.16.2 and, on the attribution point, less than 10% of the total value of the units of the series held by institutional investors are held by particular institutional investors in respect of which the financial institution does not know, on 31 December 2013, the institutional investor's investor percentage as regards Québec as of the attribution point, all units of the series held, on the attribution point, by the particular institutional investors did not exist on the attribution point;

(3) where subparagraphs 1 and 2 do not apply in respect of an attribution point in respect of the series for the specified taxation year that is used in determining the value of A in the formula in the first paragraph of section 433.16.2, any institutional investor that holds, on the attribution point, units of the series was an individual; and

(4) section 30 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations was amended by replacing "October 15 of the calendar year" and "December 31 of the calendar year" wherever they appear by "December 31, 2013".

If a selected listed financial institution is a non-stratified investment plan (other than an exchange-traded fund) throughout a reporting period in a particular fiscal year that ends in the calendar year 2013, no election under any of sections 433.19.1, 433.19.4 and 433.19.10 is in effect in respect of the investment plan throughout a fiscal year that ends in the calendar year 2013 and the financial institution is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act, the financial institution may elect in the prescribed form containing prescribed information that, in respect of the investment plan, the financial institution's percentage as regards Québec that is referred to in subparagraph 3 of the second paragraph of section 433.16, for a specified taxation year, correspond to the percentage that would be the financial institution's percentage determined under section 32 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations for the specified taxation year if Québec were a participating province within the meaning of subsection 1 of section 123 of that Act and the following assumptions were taken into account:

(1) where, on an attribution point in respect of the financial institution for the specified taxation year that is used in determining the value of C in the formula in the first paragraph of section 433.16, less than 10% of the total value of the units of the financial institution are held by institutional investors, all units of the financial institution held, on the attribution point, by an institutional investor in respect of which the financial institution does not know, on 31 December 2013, the institutional investor's investor percentage as regards Québec as of the attribution point did not exist on the attribution point;

(2) where subparagraph 1 does not apply in respect of an attribution point in respect of the financial institution for the specified taxation year that is used in determining the value of C in the formula in the first paragraph of section 433.16 and, on the attribution point, less than 10% of the total value of the units of the financial institution held by institutional investors are held by particular institutional investors in respect of which the financial institution does not know, on 31 December 2013, the institutional investor's investor percentage as regards Québec as of the attribution point, all units of the financial institution held, on the attribution point, by the particular institutional investors did not exist on the attribution point;

(3) where subparagraphs 1 and 2 do not apply in respect of an attribution point in respect of the financial institution for the specified taxation year that is used in determining the value of C in the formula in the first paragraph of section 433.16, any institutional investor that holds, on the attribution point, units of the financial institution was an individual; and

(4) section 32 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations was amended by replacing “October 15 of the calendar year” and “December 31 of the calendar year” wherever they appear by “December 31, 2013”.

2015, c. 21, s. 753.

**433.19.20.** A particular investment limited partnership to which paragraph 9 of the definition of “listed financial institution” in section 1 does not apply is deemed to be an investment plan that is a distributed investment plan for the following purposes:

(1) the determination, that would be made under section 30 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (R.S.C. 1985, c. E-15) if Québec were a participating province within the meaning of subsection 1 of section 123 of that Act, of the percentage for a series of a selected listed financial institution or of another investment limited partnership described in section 433.19.21, for Québec and for a particular period, within the meaning of subsection 1 of section 16 of those Regulations, of the financial institution or other investment limited partnership, and the determination, that would be made under section 32 of those Regulations if Québec were a participating province within the meaning of subsection 1 of section 123 of the Excise Tax Act, of the percentage for Québec and for a particular period, within the meaning of subsection 1 of section 16 of those Regulations, of a selected listed financial institution or of another investment limited partnership described in section 433.19.21, but only if the percentage is to be used in the determination of

(a) the positive amount that the financial institution or other investment limited partnership is required to add, or the negative amount that the financial institution or other investment limited partnership may deduct, in determining its net tax under section 433.16 or 433.16.2 for a reporting period in a fiscal year of the financial institution or other investment limited partnership that begins in 2019,

(b) the instalment base determined under section 458.0.2 for a reporting period in a fiscal year of the financial institution or other investment limited partnership that begins in 2019,

(c) the interim net tax determined under sections 437.1 and 437.2 for a reporting period in a fiscal year of the financial institution or other investment limited partnership that begins in 2019, or

(d) if a joint election referred to in the first or second paragraph of section 433.22 that is made by the financial institution or other investment limited partnership and the manager of the financial institution or other investment limited partnership is in effect at any time in a fiscal year of the manager that begins in 2019,

i. an amount that, under section 433.16R15 of the Regulation respecting the Québec sales tax (chapter T-0.1, r. 2), is a prescribed amount for the purposes of subparagraph 7 of the second paragraph of section 433.16, or of subparagraph 5 of the second paragraph of section 433.16.2, for a reporting period in the fiscal year, or

ii. the positive amount that the manager is required to add, or the negative amount that the manager may deduct, in determining its net tax under section 433.16 or 433.16.2, in accordance with subparagraph 3 of the third paragraph of section 433.22, for a reporting period in the fiscal year;

(2) the determination of the investor percentage of the particular investment limited partnership as of a day in the year 2018; and

(3) the application of sections 433.25 to 433.29, 433.31 and 433.32 to the particular investment limited partnership in respect of any information requested under those sections by a selected listed financial institution or by another investment limited partnership described in section 433.19.21, but only if the information is required for

(a) the determination of the percentage referred to in paragraph 1 that applies to the financial institution or other investment limited partnership and that is to be used in the determination of an amount described in any of subparagraphs *a* to *d* of paragraph 1, or



(b) the determination of the investor percentage of the financial institution or other investment limited partnership as of a day in the year 2018.

2022, c. 23, s. 209.

**433.19.21.** Where an investment limited partnership is a selected listed financial institution throughout the reporting period of the investment limited partnership that includes 1 January 2019 but is not a selected listed financial institution throughout the preceding reporting period of the investment limited partnership, the following rules apply:

(1) for the purpose of determining the investor percentage of the investment limited partnership as of a day in the year 2018, the investment limited partnership is deemed to be a selected listed financial institution;

(2) the investment limited partnership is deemed to be, throughout the year 2018, a selected listed financial institution and an investment plan that is a distributed investment plan for the determination, that would be made under section 30 or 33 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (R.S.C. 1985, c. E-15) if Québec were a participating province within the meaning of subsection 1 of section 123 of the Excise Tax Act, of the investment limited partnership's percentage for a series of the investment limited partnership, for Québec and for a particular period, within the meaning of subsection 1 of section 16 of those Regulations, of the investment limited partnership, and for the determination, that would be made under section 32 or 34 of those Regulations if Québec were a participating province within the meaning of subsection 1 of section 123 of the Excise Tax Act, of the investment limited partnership's percentage for Québec and for a particular period, within the meaning of subsection 1 of section 16 of those Regulations, of the investment limited partnership, but only if the percentage is to be used in the determination of

(a) the positive amount that the investment limited partnership is required to add, or the negative amount that the investment limited partnership may deduct, in determining its net tax under section 433.16 or 433.16.2 for a reporting period in a fiscal year of the investment limited partnership that begins in 2019,

(b) the instalment base determined under section 458.0.2 for a reporting period in a fiscal year of the investment limited partnership that begins in 2019,

(c) the interim net tax determined under sections 437.1 and 437.2 for a reporting period in a fiscal year of the investment limited partnership that begins in 2019, or

(d) if a joint election referred to in the first or second paragraph of section 433.22 that is made by the investment limited partnership and the manager of the investment limited partnership is in effect at any time in a fiscal year of the manager that begins in 2019,

i. an amount that, under section 433.16R15 of the Regulation respecting the Québec sales tax (chapter T-0.1, r. 2), is a prescribed amount for the purposes of subparagraph 7 of the second paragraph of section 433.16, or of subparagraph 5 of the second paragraph of section 433.16.2, for a reporting period in the fiscal year, or

ii. the positive amount that the manager is required to add, or the negative amount that the manager may deduct, in determining its net tax under section 433.16 or 433.16.2, in accordance with subparagraph 3 of the third paragraph of section 433.22, for a reporting period in the fiscal year; and

(3) for the purposes of sections 433.25 to 433.29, 433.31 and 433.32, the investment limited partnership is deemed to be

(a) if the units of the investment limited partnership are issued in two or more series, a selected stratified investment plan throughout the year 2018, or

(b) in any other case, a selected non-stratified investment plan throughout the year 2018.

2022, c. 23, s. 209.

**433.20.** In determining an amount that a selected listed financial institution is required to add or may deduct under section 433.16 or 433.16.2 in determining its net tax, the following rules apply:

(1) tax that the financial institution is deemed to have paid under any of sections 207, 210.3, 256, 257, 264 and 265 must not be taken into account in determining the total under subparagraph 6 of the second paragraph of section 433.16 or subparagraph 4 of the second paragraph of section 433.16.2; and

(2) no amount of tax paid or payable by the financial institution in respect of a property or service acquired or brought into Québec otherwise than for consumption, use or supply in the course of an endeavour within the meaning of section 42.0.1 must be taken into account in that determination.

2012, c. 28, s. 157; 2015, c. 21, s. 754.

**433.21.** For the purposes of sections 433.16 and 433.16.2, sections 201, 202 and 426 apply with respect to any amount that is included in the total determined under subparagraph 6 of the second paragraph of section 433.16 or subparagraph 4 of the second paragraph of section 433.16.2 as if that amount were an input tax refund.

2012, c. 28, s. 157; 2015, c. 21, s. 755.

§ 4. — *Tax adjustment transfers*

2015, c. 21, s. 756.

**433.22.** A selected listed financial institution that is an investment plan and the manager of the investment plan may jointly elect to have the rules of the third paragraph apply in relation to a particular reporting period of the manager in which the election is in effect, if, for the purposes of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15), the investment plan is a registrant and is not a selected listed financial institution.

The rules of the third paragraph apply if an investment plan that is a selected listed financial institution and the manager of the investment plan have made a joint election under subsection 1 of section 55 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act in relation to a particular reporting period of the manager in which the election is in effect.

The rules to which the first and second paragraphs refer are the following:

(1) for the investment plan, no amount of tax under subsection 1 of section 165 of the Excise Tax Act or under any of sections 212, 218 and 218.01 of that Act is to be taken into account in determining the values of A and B in the formula in the first paragraph of section 433.16 or the value of A in the formula in the first paragraph of section 433.16.2, as the case may be, and no amount of tax under any of sections 16, 17, 18 and 18.0.1 is to be taken into account in determining the value of F in the formula in the first paragraph of section 433.16 or the value of D in the formula in the first paragraph of section 433.16.2, as the case may be, if

(a) the amount of tax is attributable to a supply made by the manager to the investment plan, and

(b) the amount of tax became payable by the investment plan or was paid by the investment plan without having become payable at a time that is

i. during the manager's particular reporting period,

ii. at a time when an election referred to in the first or second paragraph is in effect between the investment plan and the manager, and

iii. at a time when no election referred to in the first or second paragraph of section 470.2, as the case may be, is in effect between the investment plan and the manager;

(2) for the investment plan, sections 433.16 and 433.16.2 do not apply in determining its net tax for a reporting period of the investment plan throughout which an election referred to in the first or second paragraph, as the case may be, and an election referred to in the first or second paragraph of section 470.2, as the case may be, are both in effect between the investment plan and the manager, and in which the manager's particular reporting period ends; and

(3) if the manager is not a selected listed financial institution throughout its particular reporting period, the manager may deduct the negative amount that the investment plan could otherwise have deducted under section 433.16 or 433.16.2 for a particular reporting period of the investment plan, where the manager has paid or credited the negative amount to the investment plan, and the manager shall include the positive amount that the investment plan would otherwise have been required to include under either of those sections for the investment plan's particular reporting period, if the negative or positive amount were determined on the basis of the following assumptions:

(a) the beginning of the investment plan's particular reporting period coincided with the later of the beginning of the manager's particular reporting period and the day in the manager's particular reporting period on which an election referred to in the first or second paragraph, as the case may be, between the investment plan and the manager becomes effective,

(b) the end of the investment plan's particular reporting period coincided with the earlier of the end of the manager's particular reporting period and the day in the manager's particular reporting period on which an election referred to in the first or second paragraph, as the case may be, between the investment plan and the manager ceases to have effect,

(c) subparagraphs 1 and 2 did not apply in respect of the investment plan's particular reporting period, and

(d) if, at any time in the investment plan's particular reporting period, no election referred to in the first or second paragraph of section 470.2, as the case may be, is in effect between the investment plan and the manager, an amount of tax that became payable by the investment plan, or that was paid by the investment plan without having become payable, at that time is included in determining the negative or positive amount only if the amount of tax is attributable to a supply made by the manager to the investment plan.

An election under the first paragraph is to

(1) be made in the prescribed form containing prescribed information;

(2) set out the day on which the election is to become effective; and

(3) be filed with the Minister, in the manner determined by the Minister, before the day on which the election is to become effective or any later day determined by the Minister.

2015, c. 21, s. 756; 2017, c. 1, s. 451.

**433.23.** An election made under the first paragraph of section 433.22 by a particular person that is a manager and another person that is an investment plan ceases to have effect on the earliest of

(1) the day on which the particular person ceases to be the manager of the other person;

(2) the day on which the other person ceases to be an investment plan or a selected listed financial institution;

(3) the day on which the other person becomes a selected listed financial institution for the purposes of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15); and

- (4) the day on which a revocation of the election becomes effective.

A manager or an investment plan that made an election under the first paragraph of section 433.22 may revoke the election and the revocation becomes effective on the day it specifies.

A person that intends to revoke an election under the second paragraph shall file with the Minister, in the manner determined by the Minister, a notice of revocation in the prescribed form containing prescribed information on or before the day specified under that paragraph or any later day determined by the Minister.

A revocation by a person of an election under the second paragraph becomes effective only if the person notifies, before the day specified under that paragraph, the other person with whom the person made the election.

2015, c. 21, s. 756.

**433.24.** If a manager and an investment plan made an election referred to in the first or second paragraph of section 433.22, as the case may be, and that election is in effect during a reporting period of the manager, the manager and the investment plan are solidarily liable for any amount owing in respect of the net tax for that reporting period and for any interest or penalties in respect of such an amount.

2015, c. 21, s. 756.

#### § 5. — *Information sharing*

2015, c. 21, s. 756.

**433.25.** In this subdivision 5,

“affiliated group” means a group of investment plans, each member of which is affiliated with each other member of the group;

“qualifying investor”, in a particular investment plan for a particular calendar year, means a person that is an investment plan and a selected investor in the particular investment plan for the particular year and that

(1) is neither a qualifying small investment plan for the fiscal year of the person that includes 30 September of the particular year nor a private investment plan, or a pension entity of a pension plan, that meets the conditions of subparagraph 5 of the first paragraph of section 433.15.2 throughout that fiscal year;

(2) is a selected listed financial institution throughout the fiscal year of the person that includes 30 September of the particular year; or

(3) is a member of an affiliated group,

(a) the members of which together hold units of the particular investment plan with a total value of \$10,000,000 or more as of 30 September of the particular year, or

(b) any member of which is a selected listed financial institution throughout the fiscal year of the member that includes 30 September of the particular year;

“selected investor”, in a particular investment plan for a particular calendar year, means a person (other than an individual or a distributed investment plan) that is resident in Canada and that meets the following criteria:

(1) if the person is an investment plan, the person holds units of the particular investment plan with a total value of less than \$10,000,000 as of 30 September of the particular year; and

(2) in any other case,

(a) if the particular investment plan is a stratified investment plan, for each series of the particular investment plan in which the person holds units, the person holds units of the series with a total value of less than \$10,000,000, as of 30 September of the particular year, or

(b) if the particular investment plan is a non-stratified investment plan, the person holds units of the particular investment plan with a total value of less than \$10,000,000, as of 30 September of the particular year;

“selected non-stratified investment plan” means a non-stratified investment plan that is a selected listed financial institution and not an exchange-traded fund;

“selected stratified investment plan” means a stratified investment plan that is a selected listed financial institution;

“specified investor” in a particular distributed investment plan for a fiscal year of the particular investment plan that ends in a particular calendar year means a person (other than an individual or a distributed investment plan) that holds units of the particular investment plan as of 30 September of the particular year and that meets the following criteria:

(1) if the person is an investment plan,

(a) the person holds units of the particular investment plan with a total value of less than \$10,000,000 as of 30 September of the particular year,

(b) on or before 31 December of the particular year, the person has not notified the particular investment plan that the person is a qualifying investor in the particular investment plan for the particular year, and

(c) the particular investment plan neither knows nor ought to know that the person is a qualifying investor in the particular investment plan for the particular year; and

(2) in any other case,

(a) if the particular investment plan is a stratified investment plan, for each series of the particular investment plan in which the person holds units, the person holds units of the series with a total value of less than \$10,000,000, as of 30 September of the particular year, or

(b) if the particular investment plan is a non-stratified investment plan, the person holds units of the particular investment plan with a total value of less than \$10,000,000, as of 30 September of the particular year.

For the purposes of the definition of “affiliated group” in the first paragraph, members affiliated with each other are

(1) pension entities of the same pension plan;

(2) trusts governed by the same deferred profit sharing plan, employee benefit plan, profit sharing plan, registered education savings plan, registered supplementary unemployment benefit plan, retirement compensation arrangement or employee trust, within the meaning assigned to those expressions by section 1 of the Taxation Act (chapter I-3);

(3) employee life and health trusts, within the meaning of section 1 of the Taxation Act, established for the same employees; or

(4) related persons.

2015, c. 21, s. 756; 2022, c. 23, s. 210.

**433.26.** Every person (other than an individual) that holds units of a selected non-stratified investment plan and that is not a specified investor in the investment plan shall, if the investment plan makes a written request during a calendar year, provide to the investment plan the person’s investor percentage as regards Québec as of 30 September of that calendar year and the number of units held on that day by the person in the investment plan on or before the later of

- (1) 15 November of the calendar year; and
- (2) the day that is 45 days after the day on which the person receives the request.

Every person (other than an individual) that holds units of a series (other than an exchange-traded series) of a selected stratified investment plan and that is not a specified investor in the investment plan shall, if the investment plan makes a written request during a calendar year, provide to the investment plan the person's investor percentage as regards Québec as of 30 September of that calendar year and the number of units held on that day by the person in each series (other than an exchange-traded series) of the investment plan on or before the later of

- (1) 15 November of the calendar year; and
- (2) the day that is 45 days after the day on which the person receives the request.

2015, c. 21, s. 756.

**433.27.** Every person that holds units of a selected non-stratified investment plan and that is a selected investor in the investment plan for a calendar year shall, if the investment plan makes a written request during the calendar year, provide to the investment plan the prescribed information on or before the later of

- (1) 15 November of the calendar year; and
- (2) the day that is 45 days after the day on which the person receives the request.

Every person that holds units of a series (other than an exchange-traded series) of a selected stratified investment plan and that is a selected investor in the investment plan for a calendar year shall, if the investment plan makes a written request during the calendar year, provide to the investment plan the prescribed information on or before the later of

- (1) 15 November of the calendar year; and
- (2) the day that is 45 days after the day on which the person receives the request.

The first and second paragraphs do not apply in respect of a person, for a calendar year, in respect of an investment plan, if the person

- (1) is a qualifying investor in the investment plan for the calendar year; and
- (2) provides the information required under section 433.29 to the investment plan on or before 15 November of the calendar year.

2015, c. 21, s. 756.

**433.28.** Every person that sells or distributes units of a selected non-stratified investment plan or that sells or distributes units of a series (other than an exchange-traded series) of a selected stratified investment plan shall, if the investment plan makes a written request during a calendar year, provide to the investment plan the number of units of the investment plan, in the case of a non-stratified investment plan, or the number of units of each series (other than an exchange-traded series) of the investment plan, in the case of a stratified investment plan, held by clients of the person resident in Québec on 30 September of that calendar year and the number of units of the investment plan, in the case of a non-stratified investment plan, or the number of units of each series (other than an exchange-traded series) of the investment plan, in the case of a stratified investment plan, held by clients of the person resident in Canada on that day, on or before the later of

- (1) 15 November of the calendar year; and

- (2) the day that is 45 days after the day on which the person receives the request.

2015, c. 21, s. 756.

**433.29.** Every person that holds units of a selected non-stratified investment plan and that is a qualifying investor in the investment plan for a calendar year shall provide to the investment plan, on or before 15 November of the calendar year,

- (1) notice that the person is a qualifying investor in the investment plan for the calendar year;
- (2) the number of units held on 30 September of the calendar year by the person in the investment plan; and
- (3) the person's investor percentage as regards Québec as of 30 September of the calendar year.

Every person that holds units of a series (other than an exchange-traded series) of a selected stratified investment plan and that is a qualifying investor in the investment plan for a calendar year shall provide to the investment plan, on or before 15 November of the calendar year,

- (1) notice that the person is a qualifying investor in the investment plan for the calendar year;
- (2) the number of units held on 30 September of the calendar year by the person in each series (other than an exchange-traded series) of the investment plan; and
- (3) the person's investor percentage as regards Québec as of 30 September of the calendar year.

2015, c. 21, s. 756.

**433.30.** Despite sections 433.26 to 433.29, every person that is resident in Canada during the calendar year 2012 and that is a prescribed person shall, if the investment plan described in the second paragraph makes a written request, provide to the investment plan the prescribed information on or before the day that is 45 days after the day on which the person receives the request.

The investment plan to which the first paragraph refers is a selected listed financial institution (other than an exchange-traded fund) that has determined a particular day, in accordance with section 433.19.18, as being the attribution point in respect of a reporting period in the fiscal year of the selected listed financial institution that ends in the calendar year 2013.

2015, c. 21, s. 756.

**433.31.** Every person that fails to provide, on request made by a distributed investment plan in accordance with any of sections 433.26 to 433.28, the information described in that section to the investment plan within the time limit provided for in that section, or that misstates such information to the investment plan, shall incur a penalty, for each such failure, equal to the lesser of \$10,000 and 0.01% of the total value, on 30 September of the calendar year set out in the request, of the units of the investment plan in respect of which that person was required to provide information to the investment plan in accordance with that section.

Every person that is required by section 433.29 to provide the information described in that section to a distributed investment plan on or before 15 November of a calendar year and that fails to do so shall incur a penalty, for each such failure, equal to the lesser of \$10,000 and 0.01% of the total value, on 30 September of that calendar year, of the units of the investment plan held by the person on that day.

Every person that is required by section 433.30 to provide the information described in that section to a distributed investment plan on or before the day described in that section and that fails to do so, or that misstates such information to the investment plan, shall incur a penalty, for each such failure, equal to the lesser of \$10,000 and 0.01% of the total value, on the particular day referred to in the second paragraph of that

section, of the units of the investment plan in respect of which that person was required to provide information to the investment plan in accordance with that section.

2015, c. 21, s. 756.

**433.32.** A distributed investment plan that obtains any information in respect of a person under any of sections 433.26 to 433.30 shall not, without the written consent of that person, knowingly use the information, communicate it, or allow it to be used or communicated, otherwise than in accordance with this Act.

2015, c. 21, s. 756.

#### § IV. — Election of an accounting method

**434.** A registrant, other than a charity that is not designated under sections 350.17.1 to 350.17.4, who is a prescribed registrant or a member of a prescribed class of registrants may elect to determine the net tax of the registrant for a reporting period during which the election is in effect by a prescribed method.

An election made under the first paragraph by a registrant shall

- (1) be filed with and as prescribed by the Minister in prescribed form containing prescribed information;
- (2) set out the day the election is to become effective, which day shall be the first day of a reporting period of the registrant; and
- (3) be filed

(a) where the first reporting period of the registrant in which the election is in effect is the fiscal year of the registrant, on or before the first day of the second fiscal quarter of that fiscal year or on such later day as the Minister may determine on application of the registrant, and

(b) in any other case, on or before the day on or before which the return of the registrant is required to be filed under this chapter for the first reporting period of the registrant in which the election is in effect or on such later day as the Minister may determine on application of the registrant.

1991, c. 67, s. 434; 1994, c. 22, s. 603; 1997, c. 85, s. 690; 2001, c. 53, s. 373; 2015, c. 21, s. 758.

**435.** An election made under section 434 ceases to have effect on the earlier of

- (1) the first day of the reporting period of the registrant in which he ceases to be a prescribed registrant or a member of a prescribed class of registrants; and
- (2) the day on which a revocation of the election becomes effective.

1991, c. 67, s. 435; 1995, c. 1, s. 326.

**435.1.** An election made under section 434 by a registrant may be revoked by the registrant.

1995, c. 1, s. 327.

**435.2.** A revocation of an election made under section 434 by a registrant

(1) shall become effective on the first day of a reporting period of the registrant but not earlier than one year after the election became effective; and

(2) is not a valid revocation unless a notice of revocation of the election in prescribed form containing prescribed information is filed with and as prescribed by the Minister on or before the day on or before which the return under this chapter is required to be filed by the registrant for the last reporting period of the registrant in which the election is effective.



Notwithstanding the first paragraph, where a prescribed registrant makes

(1) a zero-rated supply of motor vehicles under section 197.2, the revocation of an election under section 434 may, at the request of the prescribed registrant, come into force on the first day of a reporting period that includes 1 May 1999; or

(2) a supply of motor vehicles by way of retail sale, the revocation of an election under section 434 may, at the request of the prescribed registrant, come into force on the first day of a reporting period that includes 21 February 2000.

1995, c. 1, s. 327; 2001, c. 51, s. 300.

**435.3.** Where a registrant makes an election under section 434 and as a result of the election the net tax of the registrant is required to be determined in accordance with the provisions of the Regulation respecting the Québec sales tax (chapter T-0.1, r. 2),

(1) subparagraph 1 of the second paragraph of section 434 does not apply to the election;

(2) notwithstanding section 434, the election shall be made before a return under this chapter is filed for the reporting period of the registrant in which the election becomes effective; and

(3) paragraph 2 of section 435.2 does not apply to a revocation of the election.

1995, c. 1, s. 327.

**436.** Where an election made under section 434 by a registrant ceases to have effect, an input tax refund, other than a prescribed input tax refund, of the registrant for a reporting period of the registrant during which the election was in effect shall not be claimed by the registrant in a reporting period that begins after the election ceased to have effect.

1991, c. 67, s. 436.

**436.1.** Sections 444 to 457.1 do not apply for the purpose of determining the net tax of a registrant for a reporting period during which an election made by the registrant under section 434 is in effect, subject to a regulatory provision made under that section.

1997, c. 85, s. 691.

## § 2. — *Net tax remittance or refund*

**437.** Every person who is required to file a return under this chapter shall, in the return, calculate the net tax of the person for the reporting period for which the return is required to be filed, unless the person is required to file a return for that period under section 470.1.

Where the net tax for a reporting period of a person is a positive amount, the person shall, unless the person is required to file a return for that period under section 470.1, remit that amount to the Minister,

(a) where subparagraph *b* of paragraph 1 of section 468 applies in respect of a reporting period of a person who is an individual, on or before 30 April of the year following the end of the reporting period; and

(b) in any other case, on or before the day on or before which the return for that period is required to be filed.

Where the net tax for a reporting period of a person is a negative amount, the person may claim as a net tax refund for the period, payable by the Minister,

(1) where the person is a selected listed financial institution that is required to file a final return for the period in accordance with paragraph 2 of section 470.1, the amount determined for the period in the final return by the formula

$A - B$ ; and

(2) in any other case, in the return for that period, the amount of that net tax.

For the purposes of the formula in subparagraph 1 of the third paragraph,

(1) A is the amount, expressed as a positive number, of the person's net tax for the reporting period; and

(2) B is the amount that the person claims as an interim net tax refund for the reporting period in accordance with section 437.4.

1991, c. 67, s. 437; 1994, c. 22, s. 604; 1997, c. 31, s. 147; 2012, c. 28, s. 158.

**437.1.** Every person (other than an investment plan) that is required to file an interim return under section 470.1 for a reporting period shall, subject to the fifth paragraph, calculate the amount (in the fifth paragraph and sections 437 and 437.2 to 437.4 referred to as the “interim net tax”) that would be the net tax of the person for the reporting period if subparagraph 3 of the second paragraph of section 433.16 were read as follows:

“(3) C is the lesser of the percentage corresponding to the value C would have in the formula in subsection 2 of section 225.2 of the Excise Tax Act, determined for the taxation year, for the financial institution as regards Québec, and the percentage corresponding to the value that same C would have, for the financial institution as regards Québec, determined for the preceding taxation year, if each of those values were determined in accordance with the regulations made under that Act for the purposes of subsection 2.1 of section 228 of that Act and if Québec were a participating province within the meaning of subsection 1 of section 123 of that Act.”

Every person that is an investment plan and that is required to file an interim return under section 470.1 for a reporting period in a particular fiscal year shall calculate the amount that is the net tax of the person for the reporting period, where

(1) no election under section 50 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (R.S.C. 1985, c. E-15) or under section 433.19.4 is in effect throughout the particular fiscal year;

(2) in the case of a non-stratified investment plan, an election under section 49 or 61 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations or under section 433.19.1 or 433.19.10 is in effect throughout the particular fiscal year; and

(3) in the case of a stratified investment plan, an election under section 49 or 64 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations or under section 433.19.1 or 433.19.11, in respect of each series of the investment plan, is in effect throughout the particular fiscal year.

Every person that is a stratified investment plan in respect of which none of the conditions of the second paragraph are met and that is required to file an interim return under section 470.1 for a reporting period in a particular fiscal year shall, subject to the second paragraph of section 437.1.1, calculate the amount (in sections 437 and 437.2 to 437.4 referred to as the “interim net tax”) that would be the net tax of the person for the reporting period if the value of A in the formula in the first paragraph of section 433.16.2 were

determined, for that reporting period, with reference to subsection 9 of section 48 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations.

Every person that is an investment plan (other than a stratified investment plan) in respect of which none of the conditions of the second paragraph are met and that is required to file an interim return under section 470.1 for a reporting period in a particular fiscal year shall, subject to the first paragraph of section 437.1.1, calculate the amount (in sections 437 and 437.2 to 437.4 referred to as the “interim net tax”) that would be the net tax of the person for the reporting period if subparagraph 3 of the second paragraph of section 433.16 were read as follows:

“(3) C is the percentage corresponding to the value C would have in the formula in subsection 2 of section 225.2 of the Excise Tax Act, determined for the preceding taxation year, for the financial institution as regards Québec, if that value were determined with reference to subsection 10 of section 48 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under that Act and if Québec were a participating province within the meaning of subsection 1 of section 123 of that Act.”

Where a person (other than an investment plan) becomes a selected listed financial institution in a reporting period that ends in a particular fiscal year, the interim net tax of the person for each reporting period included in the fiscal year is the amount that would be the person’s net tax for the reporting period if subparagraph 3 of the second paragraph of section 433.16 were read as follows:

“(3) C is the percentage that would be applicable to the financial institution as regards Québec for the preceding reporting period if it were determined in accordance with the regulations made under the Excise Tax Act for the purposes of subsection 2.2 of section 228 of that Act and if Québec were a participating province within the meaning of subsection 1 of section 123 of that Act.”

In this section, “investment plan” has the meaning assigned by section 433.15.1.

2012, c. 28, s. 159; 2013, c. 10, s. 227; 2015, c. 21, s. 759.

**437.1.1.** If a person is a non-stratified investment plan and is required to file an interim return under section 470.1 for a reporting period in a particular fiscal year, if units of the investment plan are issued, distributed or offered for sale in the particular fiscal year that ends in a particular taxation year of the investment plan, if immediately before the issuance, distribution or offering for sale no units of the investment plan are issued and outstanding and if no election is in effect under any of sections 49, 60 and 61 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (R.S.C. 1985, c. E-15) or under the third paragraph of section 433.16 or section 433.19.1 or 433.19.10, as the case may be, in respect of the investment plan and the particular fiscal year, the person shall calculate the amount (in sections 437 and 437.2 to 437.4 referred to as the “interim net tax”) that would be the net tax of the person for the reporting period if subparagraph 3 of the second paragraph of section 433.16 were read as follows, for each reporting period of the investment plan that precedes the reporting period that includes the reconciliation day, within the meaning of subparagraph ii of paragraph *a* of section 59 of those Regulations:

“(3) C is an estimate of the financial institution’s percentage as regards Québec for the preceding taxation year of the financial institution that would be determined by the financial institution in accordance with paragraph *b* of section 59 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act if Québec were a participating province within the meaning of subsection 1 of section 123 of that Act.”

If a person is a stratified investment plan and is required to file an interim return under section 470.1 for a reporting period in a particular fiscal year, if units of a series of the investment plan are issued, distributed or offered for sale in a particular fiscal year that ends in a particular taxation year of the investment plan, if immediately before the issuance, distribution or offering for sale no units of the series are issued and outstanding and if no election is in effect under any of sections 49, 63 and 64 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations or under the third paragraph of section 433.16.2 or section 433.19.1 or 433.19.11, as the case may be, in respect of the series and the particular fiscal year, the

person shall calculate the amount (in sections 437 and 437.2 to 437.4 referred to as the “interim net tax”) that would be the net tax of the person for the reporting period if, for each reporting period of the investment plan that precedes the reporting period that includes the reconciliation day, within the meaning of subparagraph ii of paragraph *a* of section 62 of those Regulations, the value of *A* in the formula in the first paragraph of section 433.16.2 were determined for that reporting period with reference to paragraph *b* of section 62 of those Regulations.

2015, c. 21, s. 760.

**437.2.** Where the interim net tax for a reporting period of the selected listed financial institution referred to in section 437.1 or 437.1.1 is a positive amount, the financial institution shall pay that amount, on or before the day on which an interim return is required to be filed, in accordance with section 470.1, to the Minister as or on account of the financial institution’s net tax for the reporting period that the financial institution is required to remit under subparagraph *a* of paragraph 2 of section 437.3.

2012, c. 28, s. 159; 2015, c. 21, s. 761.

**437.3.** A person who is a selected listed financial institution that is required to file a final return under section 470.1 for a reporting period shall

- (1) calculate in the return the net tax of the person for the reporting period;
- (2) on or before the day on which the person is required to file the return, remit to the Minister
  - (a) the positive amount, if applicable, of the net tax of the person for the reporting period, or

(b) where the person claimed an interim net tax refund for the reporting period in accordance with section 437.4, the amount by which the interim net tax refund for the period exceeds the amount that would be the net tax refund for the period payable to the person under subparagraph 1 of the third paragraph of section 437 if the person had not claimed that interim net tax refund, or, if the person’s net tax for the period is a positive amount, an amount equal to the interim net tax refund for the period; and

(3) report in the return the positive amount paid as or on account of the person’s net tax for the period, in accordance with section 437.2, or the negative amount for which the person claimed an interim net tax refund for the period, in accordance with section 437.4, in the person’s interim return filed under section 470.1 for the period.

2012, c. 28, s. 159; 2013, c. 10, s. 228.

**437.4.** A person who is a selected listed financial institution may claim the negative amount of its interim net tax, determined in accordance with section 437.1 or 437.1.1 for the person’s reporting period, as an interim net tax refund for the period payable by the Minister, in the interim return for the period filed under section 470.1, provided it is filed before the last day on which the final return for the period is required to be filed under that section.

2012, c. 28, s. 159; 2015, c. 21, s. 762.

**438.** Where tax under section 16 is payable by a person in respect of a supply of a property that is an immovable or an emission allowance and the supplier is not required to collect the tax and is not deemed to have collected the tax,

(1) where the person is a registrant and acquired the property for use or supply primarily in the course of commercial activities of the person, the person shall, on or before the day on or before which the person’s return for the reporting period in which the tax became payable is required to be filed, pay the tax to the Minister and report the tax in that return; and

(2) in any other case, the person shall, on or before the last day of the month following the month in which the tax became payable, pay the tax to the Minister and file with the Minister in prescribed manner a return in respect of the tax in prescribed form containing prescribed information.

1991, c. 67, s. 438; 1994, c. 22, s. 605; 1997, c. 85, s. 692; 2021, c. 14, s. 236.

**438.1.** Where tax under section 16 is payable by a person because of section 287.1, the person shall pay the tax to the Minister and file with the Minister in prescribed manner a return in respect of the tax in prescribed form containing prescribed information on or before the last day of the month after the month in which the tax became payable.

2001, c. 51, s. 301.

**439.** *(Repealed).*

1991, c. 67, s. 439; 1993, c. 19, s. 231; 1994, c. 22, s. 605; 1995, c. 63, s. 459.

**440.** *(Repealed).*

1991, c. 67, s. 440; 1994, c. 22, s. 606.

**441.** Where at any time a person files a particular return as required under this Title in which the person reports an amount of tax (in this section referred to as the “remittance amount”) that is required to be remitted under the second paragraph of section 437 or section 437.3 or paid under any of sections 17, 18 to 18.0.1.2, 437.2 and 438 by the person, and the person claims a refund or rebate to which the person is entitled at that time under this Title, in the particular return or in another return, or in an application, filed as required under this Title with the particular return, the person is deemed to have remitted at that time on account of the person’s remittance amount, and the Minister is deemed to have paid at that time as a refund or rebate, an amount equal to the lesser of the remittance amount and the amount of the refund or rebate.

1991, c. 67, s. 441; 1997, c. 85, s. 693; 2012, c. 28, s. 160; 2013, c. 10, s. 229; 2022, c. 23, s. 211.

**442.** A person may, in prescribed circumstances and subject to prescribed conditions and rules, reduce or offset the tax that is required to be remitted under the second paragraph of section 437 or section 437.3 or paid under section 17, 18, 18.0.1, 18.0.1.1, 18.0.1.2, 437.2 or 438 by that person at any time by the amount of any refund or rebate to which another person may at that time be entitled under this Title.

1991, c. 67, s. 442; 1997, c. 85, s. 693; 2012, c. 28, s. 160; 2013, c. 10, s. 229; 2021, c. 18, s. 199.

**443.** Where a net tax refund payable to a person is claimed in a return filed under this chapter by the person, the Minister shall pay the refund to the person with all due dispatch after the return is filed.

However, the Minister is not required to pay the refund to a person who is a registrant unless the Minister considers that all information, that is contact information or that is information relating to the identification and business activities of the person, to be given by the person on the application for registration made by the person under sections 407 to 412 has been provided and is accurate.

1991, c. 67, s. 443; 1994, c. 22, s. 607; 2015, c. 21, s. 763.

### § 3. — *Bad debt*

**443.1.** For the purposes of this subdivision, “reporting entity” for a supply means

(1) if an election has been made under section 41.0.1 in respect of the supply, the person who is required, under that section, to include the tax collectible in respect of the supply in determining the person’s net tax; and

- (2) in any other case, the supplier.

2009, c. 5, s. 660.

**444.** If a supplier has made a taxable supply (other than a zero-rated supply) for consideration to a recipient with whom the supplier was dealing at arm's length, it is established that all or a part of the total of the consideration and tax payable in respect of the supply has become a bad debt and the supplier at any time writes off the bad debt in the supplier's books of account, the reporting entity for the supply may, in determining the reporting entity's net tax for the reporting period in which the bad debt is written off or for a subsequent reporting period, deduct the amount determined by the formula in the second paragraph.

The amount that may be deducted by the reporting entity under the first paragraph is determined by the formula

$$A \times B / C.$$

For the purposes of this formula,

- (1) A is the tax payable in respect of the supply;

(2) B is the total of the consideration and tax remaining unpaid in respect of the supply that was written off at that time as a bad debt; and

- (3) C is the total of the consideration and tax payable in respect of the supply.

1991, c. 67, s. 444; 1993, c. 19, s. 232; 1995, c. 1, s. 328; 1997, c. 85, s. 694; 2009, c. 5, s. 661.

**444.1.** A reporting entity may deduct an amount under section 444 in respect of a supply if

(1) the tax collectible in respect of the supply is included in determining the amount of net tax reported in the reporting entity's return filed under this chapter for the reporting period in which the tax became collectible; and

- (2) all net tax remittable, if any, as reported in that return is remitted.

2009, c. 5, s. 662.

**445.** *(Repealed).*

1991, c. 67, s. 445; 1997, c. 85, s. 694; 2001, c. 53, s. 375.

**446.** If all or part of a bad debt in respect of which a person has made a deduction under this subdivision is recovered at any time, the person shall, in determining net tax for the reporting period in which the bad debt or that part is recovered, add the amount determined by the formula

$$A \times B / C.$$

For the purposes of this formula,

- (1) A is the amount of the bad debt recovered at that time;

(2) B is the tax payable in respect of the supply to which the bad debt relates; and

(3) C is the total of the consideration and tax payable in respect of the supply.

1991, c. 67, s. 446; 1993, c. 19, s. 233; 1995, c. 1, s. 329; 1997, c. 85, s. 694; 2001, c. 53, s. 376; 2009, c. 5, s. 663.

**446.1.** A person may not claim a deduction under this subdivision in respect of a bad debt relating to a supply unless the deduction is claimed in a return under this chapter filed within four years after the day on which the person was required to file the return under this chapter for the reporting period in which the supplier has written off the bad debt in the supplier's books of account.

1997, c. 85, s. 695; 2001, c. 53, s. 377; 2009, c. 5, s. 663.

§ 4. — *Adjustment or refund*

**447.** Where a particular person has, during a reporting period, charged to, or collected from, another person an amount as or on account of tax under section 16, other than the amount charged or collected under section 473.1.1, in excess of the tax that was collectible by the particular person from the other person, the particular person may, within two years after the day the amount was so charged or collected,

(1) where the excess amount was charged but not collected, adjust the amount of tax charged; and

(2) where the excess amount was collected, refund or credit the excess amount to that other person.

1991, c. 67, s. 447; 1997, c. 85, s. 696; 2004, c. 21, s. 536.

**447.1.** Where a registrant makes a supply of a motor vehicle by way of sale and, during a reporting period, charges to, or collects from, another registrant an amount as or on account of tax under section 16 in respect of the supply that the other registrant receives only to again make a supply of it by way of sale, otherwise than by way of gift, or by way of lease under an agreement under which continuous possession or use of the vehicle is provided to a person for a period of at least one year in excess of the tax that was collectible by the registrant from the other registrant, the registrant shall, if the other registrant applies therefor within two years after the day the amount was so charged or collected,

(1) where the excess amount was charged but not collected, adjust the amount of tax charged;

(2) where the excess amount was collected, refund or credit the excess amount to the registrant.

The first paragraph applies, with the necessary modifications, in respect of an amount of tax under section 16 that is charged or collected by a registrant who makes a supply of a motor vehicle by way of retail sale in excess of the tax that was collectible in respect of that supply.

2001, c. 51, s. 302.

**448.** Where a particular person has charged to, or collected from, another person tax under section 16 calculated on the consideration or a part thereof for a supply and, for any reason, the consideration or part is subsequently reduced, the particular person may, in the reporting period of the particular person in which the consideration was so reduced or within four years after the end of that period,

(1) where tax calculated on the consideration or part was charged but not collected, adjust the amount of tax charged by subtracting the portion of the tax that was calculated on the amount by which the consideration or part was so reduced; and

(2) where the tax calculated on the consideration or part was collected, refund or credit to that other person the portion of the tax that was calculated on the amount by which the consideration or part was so reduced.

1991, c. 67, s. 448.

**449.** Where a person has adjusted, refunded or credited an amount in favour of, or to, another person in accordance with section 447, 447.1 or 448, the following rules apply:

(1) the particular person shall, within a reasonable time, issue to the other person a credit note, containing prescribed information, for the amount of the adjustment, refund or credit, unless the other person issues a debit note, containing prescribed information, for the amount;

(2) the amount may be deducted in determining the net tax of the particular person for the reporting period of the particular person in which, as the case may be, the credit note is issued to the other person or the debit note is received by the particular person, to the extent that the amount has been included in determining the net tax of the particular person for the reporting period or a preceding reporting period of the particular person;

(3) the amount is to be added in determining the net tax of the other person for the reporting period of the other person in which, as the case may be, the debit note is issued to the particular person or the credit note is received by the other person, to the extent that the amount has been included in determining an input tax refund claimed by the other person in a return filed for a preceding reporting period of the other person; and

(4) if all or part of the amount has been included in determining a rebate under Division I of Chapter VII paid to, or applied to a liability of, the other person before the particular day on which the credit note is received, or the debit note is issued, by the other person and the rebate so paid or applied exceeds the rebate to which the other person would have been entitled if the amount adjusted, refunded or credited by the particular person had never been charged to or collected from the other person, the other person shall pay to the Minister the excess

(a) if the other person is a registrant, on the day on or before which the other person's return for the reporting period that includes the particular day is required to be filed, and

(b) in any other case, on the last day of the calendar month immediately following the calendar month that includes the particular day.

1991, c. 67, s. 449; 1994, c. 22, s. 608; 2001, c. 51, s. 303; 2001, c. 53, s. 378; 2015, c. 36, s. 220.

**450.** Sections 447 to 449 do not apply in circumstances in which section 57 or 213 applies.

1991, c. 67, s. 450; 2017, c. 1, s. 452.

**450.0.1.** For the purposes of this section and sections 450.0.2 to 450.0.12,

“claim period” has the meaning assigned by section 402.13;

“eligible amount” has the meaning assigned by section 402.13;

“employer resource” has the meaning assigned by section 289.2;

“pension rebate amount” has the meaning assigned by section 402.13;

“qualifying employer” has the meaning assigned by section 402.13;

“qualifying pension entity” has the meaning assigned by section 402.13;

“specified resource” has the meaning assigned by section 289.2.

2011, c. 34, s. 155; 2015, c. 21, s. 764; 2017, c. 1, s. 453; 2020, c. 16, s. 240.

**450.0.2.** A person may, on a particular day, issue to a pension entity of a pension plan a note (in sections 450.0.3 and 450.0.4 referred to as a “tax adjustment note”) in respect of all or part of a specified resource, specifying an amount determined in accordance with section 450.0.3, if



(1) the person is deemed under subparagraph 2 of the first paragraph of section 289.5 or 289.5.1 to have collected tax, on or before the particular day, in respect of a taxable supply of the specified resource or part deemed to have been made by the person under subparagraph 1 of that paragraph;

(2) a supply of the specified resource or part is deemed to have been received by the pension entity under subparagraph *a* of subparagraph 4 of the first paragraph of section 289.5 or 289.5.1 and tax in respect of that supply is deemed to have been paid by the pension entity under

(a) except in the case described in subparagraph *b*, subparagraph *b* of subparagraph 4 of the first paragraph of section 289.5 or 289.5.1, or

(b) if the pension entity is a selected listed financial institution on the last day of the fiscal year in which the person acquired the resource, subparagraph ii of paragraph *d* of subsection 5 or 5.1 of section 172.1 of the Excise Tax Act (R.S.C. 1985, c. E-15); and

(3) an amount of tax becomes payable, or is paid without having become payable, on or before the particular day to the person (otherwise than by the operation of sections 289.2 to 289.8.1) in respect of a taxable supply of the specified resource or part

(a) by the pension entity, if the taxable supply referred to in paragraph 1 is deemed to have been made under subparagraph 1 of the first paragraph of section 289.5, or

(b) by a master pension entity of the pension plan, if the taxable supply referred to in paragraph 1 is deemed to have been made under subparagraph 1 of the first paragraph of section 289.5.1.

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2011, c. 34, s. 155; 2012, c. 28, s. 161; 2020, c. 16, s. 241; 2024, c. 41, s. 211.

**450.0.3.** The amount specified in a tax adjustment note issued under section 450.0.2 on a particular day in respect of a specified resource or part must not exceed the amount determined by the formula

A - B.

For the purposes of the formula in the first paragraph,

(1) A is

(a) if the taxable supply referred to in paragraph 1 of section 450.0.2 is deemed to have been made under subparagraph 1 of the first paragraph of section 289.5, the lesser of

i. the amount determined under subparagraph 3 of the first paragraph of section 289.5 in respect of the specified resource or part, and

ii. the total of all amounts each of which is an amount of tax under the first paragraph of section 16 that became payable, or was paid without having become payable, to the person (otherwise than by the operation of sections 289.2 to 289.8.1) by the pension entity in respect of a taxable supply of the specified resource or part on or before the particular day, or

(b) if the taxable supply referred to in paragraph 1 of section 450.0.2 is deemed to have been made under subparagraph 1 of the first paragraph of section 289.5.1, the lesser of

i. the amount determined for the pension plan under subparagraph 3 of the first paragraph of section 289.5.1 in respect of the specified resource or part, and

- ii. the amount determined by the formula

$C \times D$ ; and

(2) B is the total of all amounts each of which is the amount of tax, as determined under this section, specified in another tax adjustment note issued on or before the particular day in respect of the specified resource or part.

For the purposes of the formula in the second paragraph,

(1) C is the total of all amounts each of which is an amount of tax under the first paragraph of section 16 that became payable, or was paid without having become payable, to the person (otherwise than by the operation of sections 289.2 to 289.8.1) by the master pension entity referred to in subparagraph *b* of paragraph 3 of section 450.0.2 in respect of a taxable supply of the specified resource or part on or before the particular day; and

(2) D is the master pension factor in respect of the pension plan for the fiscal year of the master pension entity that includes the particular day.

2011, c. 34, s. 155; 2020, c. 16, s. 242.

**450.0.4.** If a person issues a tax adjustment note to a pension entity under section 450.0.2 in respect of all or part of a specified resource, a supply of the specified resource or part is deemed to have been received by the pension entity under subparagraph *a* of subparagraph 4 of the first paragraph of section 289.5 or 289.5.1 and an amount of tax (in this section referred to as “deemed tax”) in respect of that supply, where the pension entity is not a selected listed financial institution on a particular day, is deemed to have been paid on the particular day by the pension entity under subparagraph *b* of subparagraph 4 of the first paragraph of section 289.5 or 289.5.1 or subparagraph 2 of the first paragraph of section 289.8.0.1, or, where the pension entity is such a financial institution, is deemed to have been paid on the particular day by the pension entity under subparagraph *ii* of paragraph *d* of subsection 5 or 5.1 of section 172.1 of the Excise Tax Act (R.S.C. 1985, c. E-15) or paragraph *b* of subsection 8.01 of that section 172.1 or would be deemed to have been paid on the particular day by the pension entity under that subparagraph *ii* or that paragraph *b* if the pension entity were a selected listed financial institution for the purposes of that Act, the following rules apply:

(1) the tax amount of the tax adjustment note may be deducted in determining the net tax of the person for its reporting period that includes the day on which the tax adjustment note is issued;

(2) except where the pension entity is a selected listed financial institution on the particular day, the pension entity shall add, in determining its net tax for its reporting period that includes the day on which the tax adjustment note is issued, the amount determined by the formula

$A \times (B/C)$ ;

(3) except where the pension entity is a selected listed financial institution on the particular day, if any part of the amount of the deemed tax is included in the determination of the pension rebate amount of the pension entity for a particular claim period at the end of which the pension entity was a qualifying pension entity, the pension entity shall pay to the Minister, on or before the day that is the later of the day on which the application for the rebate is filed and the day that is the last day of its claim period that immediately follows

its claim period that includes the day on which the tax adjustment note is issued, the amount determined by the formula

$D \times E \times (B/C) \times (F/G)$ ; and

(4) if any part of the amount of the deemed tax is included in the determination of the pension entity's pension rebate amount for a particular claim period and if the pension entity makes an election for that claim period under any of sections 402.18, 402.19 and 402.19.1 jointly with all participating employers of the pension plan that are, for the calendar year that includes the last day of that claim period, qualifying employers of the pension plan, each of those participating employers shall add, in determining its net tax for its reporting period that includes the day that is the later of the day on which the tax adjustment note is issued and the day on which the election is filed with the Minister,

(a) except in the case described in subparagraph *b*, the amount determined by the formula

$D \times E \times (B/C) \times (H/G)$ , or

(b) if the pension entity is a selected listed financial institution on the particular day, the amount determined by the formula

$D \times E \times (B/C) \times (H/I)$ .

For the purposes of the formulas in the first paragraph,

(1) A is the total of all input tax refunds that the pension entity is entitled to claim in respect of the deemed tax;

(2) B is the tax amount of the tax adjustment note;

(3) C is the amount of the deemed tax;

(4) D is the part of the amount of the deemed tax, referred to in subparagraph 3 or 4 of the first paragraph, as the case may be;

(5) E is 33%;

(6) F is the amount of the rebate determined for the pension entity under section 402.14 for the particular claim period;

(7) G is the pension rebate amount of the pension entity for the particular claim period;

(8) H is the amount of the deduction determined for the participating employer under section 402.18, subparagraph 1 or 3 of the first paragraph of section 402.19 or section 402.19.1, as the case may be, for the particular claim period; and

(9) *I* is the value of *A* in the formula in the definition of “provincial pension rebate amount” in subsection 1 of section 261.01 of the Excise Tax Act, determined for the particular claim period, or, where applicable, the value *A* would have in that formula for the particular claim period if the pension entity were a selected listed financial institution for the purposes of that Act.

2011, c. 34, s. 155; 2012, c. 28, s. 162; 2013, c. 10, s. 237; 2015, c. 36, s. 221; 2020, c. 16, s. 243; 2024, c. 41, s. 212.

**450.0.5.** A person may, on a particular day, issue to a pension entity of a pension plan a note (in sections 450.0.6 and 450.0.7 referred to as a “tax adjustment note”) in respect of employer resources consumed or used for the purpose of making a supply (in this section and in sections 450.0.6 and 450.0.7 referred to as the “actual pension supply”) of a property or a service to the pension entity or to a master pension entity of the pension plan, specifying an amount determined in accordance with section 450.0.6, if

(1) the person is deemed under subparagraph 2 of the first paragraph of section 289.6 or 289.6.1 to have collected tax, on or before the particular day, in respect of one or more taxable supplies, deemed to have been made by the person under subparagraph 1 of that paragraph, of the employer resources;

(2) a supply of each of those employer resources is deemed to have been received by the pension entity under subparagraph *a* of subparagraph 4 of the first paragraph of section 289.6 or 289.6.1 and tax in respect of each of those supplies is deemed to have been paid by the pension entity

(*a*) except in the case described in subparagraph *b*, under subparagraph *b* of subparagraph 4 of the first paragraph of section 289.6 or 289.6.1, or

(*b*) if the pension entity is a selected listed financial institution on the last day of the fiscal year in which the employer resources are consumed or used for the purpose of making an actual pension supply, under subparagraph ii of paragraph *d* of subsection 6 or 6.1 of section 172.1 of the Excise Tax Act (R.S.C. 1985, c. E-15); and

(3) an amount of tax becomes payable, or is paid without having become payable, on or before the particular day, to the person (otherwise than by the operation of sections 289.2 to 289.8.1) in respect of the actual pension supply

(*a*) by the pension entity, if the taxable supplies referred to in paragraph 1 are deemed to have been made under subparagraph 1 of the first paragraph of section 289.6, or

(*b*) by the master pension entity, if the taxable supplies referred to in paragraph 1 are deemed to have been made under subparagraph 1 of the first paragraph of section 289.6.1.

2011, c. 34, s. 155; 2012, c. 28, s. 163; 2020, c. 16, s. 244; 2024, c. 41, s. 213.

**450.0.6.** The amount specified in a tax adjustment note issued under section 450.0.5 on a particular day in respect of employer resources consumed or used for the purpose of making an actual pension supply must not exceed the amount determined by the formula

$A - B.$

For the purposes of the formula in the first paragraph,

(1) *A* is

(*a*) if the taxable supplies referred to in paragraph 1 of section 450.0.5 are deemed to have been made under subparagraph 1 of the first paragraph of section 289.6, the lesser of

i. the total of all amounts each of which is an amount of tax determined under subparagraph 3 of the first paragraph of section 289.6 in respect of one of those employer resources and that is deemed under subparagraph 2 of that paragraph to have become payable and to have been collected on or before the particular day, and

ii. the total of all amounts each of which is an amount of tax under the first paragraph of section 16 that became payable, or was paid without having become payable, to the person (otherwise than by the operation of sections 289.2 to 289.8.1) by the pension entity in respect of the actual pension supply on or before the particular day, or

(b) if the taxable supplies referred to in paragraph 1 of section 450.0.5 are deemed to have been made under subparagraph 1 of the first paragraph of section 289.6.1, the lesser of

i. the total of all amounts each of which is an amount of tax determined under subparagraph 3 of the first paragraph of section 289.6.1 in respect of the pension plan in respect of one of those employer resources and that is deemed under subparagraph 2 of that paragraph to have become payable and to have been collected on or before the particular day, and

ii. the amount determined by the formula

$C \times D$ ; and

(2) B is the total of all amounts each of which is the amount of tax, as determined under this section, specified in another tax adjustment note issued on or before the particular day in respect of employer resources consumed or used for the purpose of making the actual pension supply.

For the purposes of the formula in the second paragraph,

(1) C is the total of all amounts each of which is an amount of tax under the first paragraph of section 16 that became payable, or was paid without having become payable, to the person (otherwise than by the operation of sections 289.2 to 289.8.1) by the master pension entity referred to in section 450.0.5 in respect of the actual pension supply on or before the particular day; and

(2) D is the master pension factor in respect of the pension plan for the fiscal year of the master pension entity that includes the particular day.

2011, c. 34, s. 155; 2020, c. 16, s. 245.

**450.0.7.** If a person issues a tax adjustment note to a pension entity under section 450.0.5 in respect of employer resources consumed or used for the purpose of making an actual pension supply, a supply of each of those employer resources (in this section referred to as a “particular supply”) is deemed to have been received by the pension entity under subparagraph *a* of subparagraph 4 of the first paragraph of section 289.6 or 289.6.1 and an amount of tax (in this section referred to as “deemed tax”) in respect of each of the particular supplies, where the pension entity is not a selected listed financial institution on the last day of the fiscal year of the person during which those employer resources were so consumed or used, is deemed to have been paid by the pension entity under subparagraph *b* of subparagraph 4 of the first paragraph of section 289.6 or 289.6.1 or subparagraph 2 of the first paragraph of section 289.8.0.1, or, where the pension entity is such a financial institution, is deemed to have been paid by the pension entity under subparagraph ii of paragraph *d* of subsection 6 or 6.1 of section 172.1 of the Excise Tax Act (R.S.C. 1985, c. E-15) or paragraph *b* of subsection 8.01 of that section 172.1 or would be deemed to have been paid by the pension entity under that subparagraph ii or that paragraph *b* if the pension entity were a selected listed financial institution on that last day for the purposes of that Act, the following rules apply:

(1) the tax amount of the tax adjustment note may be deducted in determining the net tax of the person for its reporting period that includes the day on which the tax adjustment note is issued;

(2) except where the pension entity is a selected listed financial institution on the first day on which an amount of deemed tax is deemed to have been paid, the pension entity shall add, in determining its net tax for its reporting period that includes the day on which the tax adjustment note is issued, the amount determined by the formula

$$A \times (B/C);$$

(3) except where the pension entity is a selected listed financial institution on the first day on which an amount of deemed tax is deemed to have been paid, for each particular claim period of the pension entity at the end of which the pension entity was a qualifying pension entity and for which any part of an amount of deemed tax in respect of a particular supply is included in the determination of the pension rebate amount of the pension entity, the pension entity shall pay to the Minister, on or before the day that is the later of the day on which the application for the rebate is filed and the day that is the last day of its claim period that immediately follows its claim period that includes the day on which the tax adjustment note is issued, the amount determined by the formula

$$D \times E \times (B/C) \times (F/G); \text{ and}$$

(4) for each particular claim period of the pension entity for which any part of an amount of deemed tax in respect of a particular supply is included in the determination of the pension entity's pension rebate amount and for which an election under any of sections 402.18, 402.19 and 402.19.1 is made jointly by the pension entity and all participating employers of the pension plan that are, for the calendar year that includes the last day of that claim period, qualifying employers of the pension plan, each of those participating employers shall add, in determining its net tax for its reporting period that includes the day that is the later of the day on which the tax adjustment note is issued and the day on which the election is filed with the Minister,

(a) except in the case described in subparagraph *b*, the amount determined by the formula

$$D \times E \times (B/C) \times (H/G), \text{ or}$$

(b) if the pension entity is a selected listed financial institution on the first day on which an amount of deemed tax is deemed to have been paid, the amount determined by the formula

$$D \times E \times (B/C) \times (H/I).$$

For the purposes of the formulas in the first paragraph,

(1) A is the total of all amounts, each of which is the total of all input tax refunds that the pension entity is entitled to claim in respect of deemed tax in respect of a particular supply;

(2) B is the tax amount of the tax adjustment note;

(3) C is the total of all amounts each of which is an amount of deemed tax in respect of a particular supply;

(4) D is the total of all amounts each of which is the part of an amount of deemed tax in respect of a particular supply that is an eligible amount of the pension entity for the particular claim period;

(5) E is 33%;

(6) F is the amount of the rebate determined for the pension entity under section 402.14 for the particular claim period;

(7) G is the pension rebate amount of the pension entity for the particular claim period;

(8) H is the amount of the deduction determined for the participating employer under section 402.18, subparagraph 1 or 3 of the first paragraph of section 402.19 or section 402.19.1, as the case may be, for the particular claim period; and

(9) I is the value of A in the formula in the definition of “provincial pension rebate amount” in subsection 1 of section 261.01 of the Excise Tax Act, determined for the particular claim period, or, where applicable, the value A would have in that formula for the particular claim period if the pension entity were a selected listed financial institution for the purposes of that Act.

2011, c. 34, s. 155; 2012, c. 28, s. 164; 2013, c. 10, s. 237; 2015, c. 36, s. 222; 2020, c. 16, s. 246; 2024, c. 41, s. 214.

**450.0.8.** A tax adjustment note referred to in section 450.0.2 or 450.0.5 must be in the form and contain the information determined by the Minister and be issued in a manner satisfactory to the Minister.

2011, c. 34, s. 155; 2013, c. 10, s. 230.

**450.0.9.** Where a tax adjustment note is issued under section 450.0.2 or 450.0.5 to a pension entity of a pension plan and, as a consequence of that issuance, subparagraph 4 of the first paragraph of section 450.0.4 or 450.0.7 applies to a participating employer of the pension plan, the pension entity shall, in a document in the form and containing the information determined by the Minister and in a manner satisfactory to the Minister, notify without delay the participating employer of that issuance.

2011, c. 34, s. 155; 2013, c. 10, s. 231.

**450.0.10.** Where a participating employer of a pension plan is required to add an amount in determining its net tax under subparagraph 4 of the first paragraph of section 450.0.4 or 450.0.7 as a consequence of the issuance of a tax adjustment note under section 450.0.2 or 450.0.5 to a pension entity of the pension plan, the participating employer and the pension entity are solidarily liable to pay the amount to the Minister.

2011, c. 34, s. 155.

**450.0.11.** Where a participating employer of a pension plan has ceased to exist on or before the day on which a tax adjustment note is issued under section 450.0.2 or 450.0.5 to a pension entity of the pension plan and the participating employer would have been required, had it not ceased to exist, to add an amount in determining its net tax under subparagraph 4 of the first paragraph of section 450.0.4 or 450.0.7 as a consequence of that issuance, the pension entity shall pay the amount to the Minister on or before the last day of its claim period that immediately follows its claim period that includes the day on which the tax adjustment note is issued.

2011, c. 34, s. 155.

**450.0.12.** Despite the first paragraph of section 35.1 of the Tax Administration Act (chapter A-6.002), every person that issues a tax adjustment note under section 450.0.2 or 450.0.5 shall maintain, for a period of six years from the day on which the tax adjustment note was issued, evidence satisfactory to the Minister that the person was entitled to issue the tax adjustment note for the amount for which it was issued.

2011, c. 34, s. 155.

**450.1.** If a particular registrant acquires particular corporeal movable property exclusively for supply by way of sale for a price in money in the course of commercial activities of the particular registrant and another registrant, who has made taxable supplies of the particular property by way of sale, whether to the particular registrant or another person, pays to or credits in favour of the particular registrant or allows as a discount on or credit against the price of any property or service (in this section referred to as the “discounted property or service”) supplied by the other registrant to the particular registrant, an amount in return for the promotion of the particular property by the particular registrant, the following rules apply:

(1) the amount is deemed not to be consideration for a supply by the particular registrant to the other registrant;

(2) where the amount is allowed as a discount on or credit against the price of the discounted property or service,

(a) if the other registrant has previously charged to or collected from the particular registrant tax under section 16 calculated on the consideration or part of it for the supply of the discounted property or service, the amount of the discount or credit is deemed to be a reduction in the consideration for that supply for the purposes of section 448, and

(b) in any other case, the value of the consideration for the supply of the discounted property or service is deemed to be equal to the amount by which the value of the consideration for that supply as otherwise determined exceeds the amount of the discount or credit; and

(3) if the amount is not allowed as a discount on or credit against the price of any discounted property or service supplied to the particular registrant, the amount is deemed to be a rebate in respect of the particular property for the purposes of section 350.6.

2001, c. 53, s. 379.

#### § 5. — *Patronage dividend*

**451.** For the purposes of section 453, “specified amount”, in respect of a patronage dividend paid by a person in a fiscal year of the person, means the amount determined by the formula

$$A \times [(B + D) / (C + D)].$$

For the purposes of this formula,

(1) A is the amount of the patronage dividend;

(2) B is the total value of all consideration that became due, or was paid without having become due, in the immediately preceding fiscal year of the person while the person was a registrant for taxable supplies, other than supplies by way of sale of capital property of the person and zero-rated supplies, made in Québec by the person;



(3) C is the total value of all consideration that became due, or was paid without having become due, in the immediately preceding fiscal year of the person for taxable supplies, other than supplies by way of sale of capital property of the person, made in Québec by the person; and

(4) D is the total of all tax that became payable, or was paid without having become payable, in the immediately preceding fiscal year of the person in respect of taxable supplies, other than supplies by way of sale of capital property of the person, made by the person.

1991, c. 67, s. 451; 1994, c. 22, s. 609; 1995, c. 63, s. 460.

**452.** *(Repealed).*

1991, c. 67, s. 452; 1994, c. 22, s. 609; 2015, c. 21, s. 765.

**453.** Where at any time in a fiscal year of a particular person, the particular person pays to another person a patronage dividend all or part of which is in respect of taxable supplies, other than zero-rated supplies, made by the particular person to the other person, the particular person is deemed

(1) to have reduced, at that time, the total consideration for those supplies by an amount equal to the amount determined by multiplying 100/109.975 by

(a) where the particular person has made an election that is in effect for that fiscal year for the purposes of this subparagraph, the part of the dividend that is in respect of taxable supplies, other than zero-rated supplies, made to the other person, and

(b) in any other case, the specified amount in respect of the dividend; and

(2) to have made, at that time, the appropriate adjustment, refund or credit in favour of, or to, the other person under section 448.

1991, c. 67, s. 453; 1993, c. 19, s. 234; 1994, c. 22, s. 610; 1995, c. 1, s. 330; 1997, c. 85, s. 697; 2010, c. 5, s. 244; 2011, c. 6, s. 281; 2012, c. 28, s. 165.

**453.1.** *(Repealed).*

1993, c. 19, s. 235; 1995, c. 1, s. 331.

**454.** Section 453 does not apply to a patronage dividend paid by a person in a fiscal year of the person for which an election made by the person under this section is in effect, in which event the dividend is deemed not to be a reduction of the consideration for any supplies.

1991, c. 67, s. 454; 1994, c. 22, s. 611.

**454.1.** An election made under subparagraph *a* of paragraph 1 of section 453 or section 454 by a person shall be made before any patronage dividend is paid by the person in the fiscal year of the person in which the election is to take effect.

1994, c. 22, s. 612; 1997, c. 85, s. 698.

**454.2.** An election made under subparagraph *a* of paragraph 1 of section 453 or section 454 by a person may be revoked by the person before any patronage dividend is paid by the person in the fiscal year of the person in which the revocation is to take effect.

1994, c. 22, s. 612; 1997, c. 85, s. 698.

**454.3.** For the purposes of this subdivision, a patronage dividend is deemed to be paid on the day that it is declared.

1994, c. 22, s. 612.

§ 6. — *Payment of a rebate by a person*

1997, c. 85, s. 699; 2001, c. 53, s. 380.

**455.** If, in the circumstances described in section 357.5.2, 366, 370.1, 382.3 or 402.9, a particular person pays to, or credits in favour of, another person an amount on account of a rebate and transmits the application of the other person for the rebate to the Minister in accordance with section 357.5.2, 367, 370.2 or 382.4, as the case requires, or keeps the application, in accordance with section 402.10, the particular person may deduct the amount in determining the net tax of the particular person for the reporting period of the particular person in which the amount is paid or credited to the other person.

1991, c. 67, s. 455; 1994, c. 22, s. 613; 1997, c. 85, s. 699; 2001, c. 51, s. 304; 2001, c. 53, s. 380.

**455.0.1.** Where, in the circumstances described in the third paragraph of section 402.25, an insurer pays to, or credits in favour of, a segregated fund of the insurer an amount on account of a rebate referred to in that section and transmits the application of the segregated fund for the rebate to the Minister in accordance with section 402.26, the insurer may deduct the amount in determining its net tax for its reporting period in which the amount was paid or credited.

2012, c. 28, s. 166.

§ 6.1. —

*Heading replaced, 1997, c. 85, s. 699.*

1994, c. 22, s. 614; 1997, c. 85, s. 699.

**455.1.** Where, in the circumstances described in section 353.2, 357.3 or 357.5, a registrant pays to, or credits in favour of, a person an amount on account of a rebate referred to therein, the registrant may deduct the amount in determining the net tax of the registrant for

(1) the reporting period of the registrant that includes the particular day that is the later of the last day on which any tax to which the rebate relates became payable and the day on which the amount is paid or credited; or

(2) any subsequent reporting period of the registrant for which a return is filed within one year after the particular day.

1994, c. 22, s. 614; 2009, c. 5, s. 664.

**455.2.** If a registrant is required to file prescribed information in accordance with section 357.5.0.1 in respect of an amount claimed as a deduction under section 455.1 in respect of an amount paid or credited on account of a rebate, the following rules apply:

(1) in the case where the registrant files the information on a day (in this section referred to as the “filing day”) that is after the day on which the registrant is required to file a return under Chapter VIII for the reporting period in which the registrant claimed the deduction under section 455.1 in respect of the amount paid or credited and before the particular day described in the second paragraph, the registrant shall, in determining the net tax for the reporting period of the registrant that includes the filing day, add an amount equal to interest, at the rate prescribed under section 28 of the Tax Administration Act (chapter A-6.002), on the amount claimed as a deduction under section 455.1 computed for the period beginning on the day on which the registrant was required to file the prescribed information under section 357.5.0.1 and ending on the filing day; and

(2) in the case where the registrant fails to file the information before the particular day, the registrant shall, in determining the net tax for the reporting period of the registrant that includes the particular day, add an amount equal to the total of the amount claimed as a deduction under section 455.1 and interest, at the rate prescribed under section 28 of the Tax Administration Act, on that amount computed for the period beginning

on the day on which the registrant was required to file the information under section 357.5.0.1 and ending on the day on which the registrant is required under section 468 to file a return for the reporting period of the registrant that includes the particular day.

For the purposes of the first paragraph, the particular day is the earlier of

(1) the day that is four years after the day on which the registrant was required under section 468 to file a return for the period; and

(2) the day prescribed by the Minister in a formal demand to file information.

2009, c. 5, s. 665; 2010, c. 31, s. 175.

#### § 7. — *Input tax refund*

**456.** If, in a taxation year of a registrant, tax becomes payable, or is paid without having become payable, by the registrant in respect of supplies of a passenger vehicle made under a lease and the total of the consideration for the supplies that would be deductible in computing the registrant's income for the year for the purposes of the Taxation Act (chapter I-3), if the registrant were a taxpayer under that Act and that Act were read without reference to its section 421.6, exceeds the amount in respect of that consideration that would be deductible in computing the registrant's income for the year for the purposes of that Act, if the registrant were a taxpayer under that Act and the formula in sections 99R1, 99R1.1 and 421.6R1 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) were read without reference to B, there must be added in determining the net tax for the appropriate reporting period of the registrant an amount determined by the formula

$$A \times B \times C.$$

For the purposes of this formula,

(1) A is the result obtained by dividing that excess by that consideration;

(2) B is the tax paid or payable in respect of those supplies, other than tax that, by reason of any of sections 203, 206 and 206.1, may not be included in determining an input tax refund of the registrant; and

(3) C is the proportion that the use of the vehicle in commercial activities of the registrant is of the total use of the vehicle.

Despite the first paragraph, no amount may be included in determining a registrant's net tax for the appropriate reporting period if the registrant is a selected listed financial institution in that period.

1991, c. 67, s. 456; 1994, c. 22, s. 615; 1995, c. 63, s. 461; 1997, c. 85, s. 700; 2009, c. 5, s. 666; 2009, c. 15, s. 518; 2012, c. 28, s. 167; 2019, c. 14, s. 554; 2021, c. 18, s. 200.

**457.** For the purposes of section 456, the appropriate reporting period of a registrant in respect of a supply by way of lease to the registrant of a passenger vehicle in a taxation year of the registrant is

(1) where the registrant ceases in or at the end of that taxation year to be registered under Division I, the last reporting period of the registrant in that year;

(2) where the reporting period of the registrant is the calendar year, the calendar year in which that taxation year ends; and

(3) in any other case, the reporting period of the registrant that begins immediately after that taxation year.

1991, c. 67, s. 457.

**457.0.1.** For the purposes of this section and sections 457.0.2 to 457.0.5, the fiscal year of a network seller in respect of which an approval granted under section 297.0.7 is in effect is

(1) the first variant year of the network seller if the network seller

(a) fails to meet the condition of subparagraph 3 of the first paragraph of section 297.0.4 in respect of the fiscal year, and

(b) meets the condition of subparagraph 3 of the first paragraph of section 297.0.4 for each fiscal year of the network seller, in respect of which an approval granted under section 297.0.7 is in effect, preceding the fiscal year; and

(2) the second variant year of the network seller if

(a) the fiscal year is after the first variant year of the network seller,

(b) the network seller fails to meet the condition of subparagraph 3 of the first paragraph of section 297.0.4 in respect of the fiscal year, and

(c) the network seller meets the condition of subparagraph 3 of the first paragraph of section 297.0.4 for each fiscal year (other than the first variant year) of the network seller in respect of which an approval granted under section 297.0.7 is in effect, preceding the fiscal year.

2011, c. 6, s. 282.

**457.0.2.** Subject to sections 457.0.3 and 457.0.4, if a network seller fails to meet any condition of subparagraphs 1 to 3 of the first paragraph of section 297.0.4 for a fiscal year of the network seller in respect of which an approval granted under section 297.0.7 is in effect and, at any time during the fiscal year, a network commission would, but for section 297.0.9, become payable by the network seller to a sales representative of the network seller as consideration for a taxable supply (other than a zero-rated supply) made in Québec by the sales representative, the network seller shall, in determining the net tax for the first reporting period of the network seller following the fiscal year, add an amount equal to interest, computed at the rate set under section 28 of the Tax Administration Act (chapter A-6.002), on the total amount of tax that would be payable in respect of the taxable supply if tax were payable in respect of the taxable supply, for the period beginning on the earliest day on which consideration for the taxable supply is paid or becomes due and ending on the day on or before which the network seller is required to file a return for the reporting period that includes that earliest day.

2011, c. 6, s. 282.

**457.0.3.** In determining the net tax for the first reporting period of a network seller following the first variant year of the network seller, the network seller shall not add an amount in accordance with section 457.0.2 if

(a) the network seller meets the conditions of subparagraphs 1 and 2 of the first paragraph of section 297.0.4 for the first variant year and for each fiscal year, in respect of which an approval granted under section 297.0.7 is in effect, preceding the first variant year; and

(b) the network seller would meet the condition of subparagraph 3 of the first paragraph of section 297.0.4 for the first variant year if the reference in that subparagraph to “all or substantially all” were read as a reference to “at least 80%”.

2011, c. 6, s. 282.

**457.0.4.** In determining the net tax for the first reporting period of a network seller following the second variant year of the network seller, the network seller shall not add an amount in accordance with section 457.0.2 if

(a) the network seller meets the conditions of subparagraphs 1 and 2 of the first paragraph of section 297.0.4 for the second variant year and for each fiscal year, in respect of which an approval granted under section 297.0.7 is in effect, preceding the second variant year;

(b) the network seller would meet the condition of subparagraph 3 of the first paragraph of section 297.0.4 for each of the first variant year and the second variant year if the reference in that subparagraph to “all or substantially all” were read as a reference to “at least 80%”; and

(c) within 180 days after the beginning of the second variant year, the network seller requests in writing that the Minister revoke the approval.

2011, c. 6, s. 282.

**457.0.5.** If, at any time after an approval granted under section 297.0.7 in respect of a network seller and each of its sales representatives ceases to have effect as a consequence of a revocation under section 297.0.13 or 297.0.14, a network commission would, but for section 297.0.9, become payable as consideration for a taxable supply (other than a zero-rated supply) made in Québec by a sales representative of the network seller that has not been notified, as required under paragraph 2 of section 297.0.15, of the revocation and an amount is not charged or collected as or on account of tax in respect of the taxable supply, the network seller shall, in determining the net tax of the network seller for the particular reporting period that includes the earliest day on which consideration for the taxable supply is paid or becomes due, add an amount equal to interest, computed at the rate set under section 28 of the Tax Administration Act (chapter A-6.002), on the total amount of tax that would be payable in respect of the taxable supply if tax were payable in respect of the taxable supply, for the period beginning on that earliest day and ending on the day on or before which the network seller is required to file a return for the particular reporting period.

2011, c. 6, s. 282.

**457.1.** A person shall, in determining the net tax for the appropriate reporting period of the person, add the amount determined by the formula provided for in the second paragraph if

(1) an amount (in this section referred to as the “composite amount”)

(a) becomes due from the person, or is a payment made by the person without having become due, in respect of a supply of property or a service made to the person, or

(b) is paid by the person as an allowance or reimbursement in respect of which the person is deemed under section 211 or 212 to have received a supply of property or a service;

(2) one or both of the following situations apply:

(a) section 421.1 of the Taxation Act (chapter I-3) applies, or would apply if the person were a taxpayer under that Act, to all of the composite amount or that part of it that is, for the purposes of that Act, an amount (other than an amount referred to in section 421.1.1 of that Act) paid or payable in respect of the human consumption of food or beverages or the enjoyment of entertainment and section 421.1 of that Act deems the composite amount or that part to be 50% of a particular amount, or

(b) section 421.1.1 of the Taxation Act applies, or would apply if the person were a taxpayer under that Act, to all of the composite amount or that part of it that is, for the purposes of that Act, an amount paid or payable in respect of the consumption of food or beverages by a long-haul truck driver, within the meaning of section 421.1.1 of that Act, during the eligible travel period, within the meaning of section 421.1.1 of that Act, and section 421.1.1 of that Act deems the composite amount or that part to be a percentage of a specified particular amount; and

(3) tax included in the composite amount or deemed under section 211 or 212 to have been paid by the person is included in determining an input tax refund in respect of the property or service that is claimed by the person in a return for a reporting period in a fiscal year of the person.

The amount to be added in determining the net tax under the first paragraph is determined by the formula

$$[50\% \times (A/B) \times C] + [D \times (E/B) \times C].$$

For the purposes of this formula,

(1) A is

(a) in the case where subparagraph *a* of subparagraph 2 of the first paragraph applies, the particular amount, and

(b) in any other case, zero;

(2) B is the composite amount;

(3) C is the input tax refund;

(4) D is

(a) 40%, in the case where the particular period begins after 19 March 2007 and ends before 1 January 2008,

(b) 35%, in the case where the particular period is the year 2008,

(c) 30%, in the case where the particular period is the year 2009,

(d) 25%, in the case where the particular period is the year 2010, and

(e) 20%, in the case where the particular period begins after the year 2010; and

(5) E is

(a) in the case where subparagraph *b* of subparagraph 2 of the first paragraph applies, the specified particular amount, and

(b) in any other case, zero.

For the purposes of this section, the particular period is

(a) a period in which tax under Title I becomes due, or is paid without having become due, in respect of a supply of food, beverages or entertainment, but in which no reimbursement or allowance is paid in respect of the supply; or

(b) a period in which an amount is paid as a reimbursement or allowance in respect of a supply of food, beverages or entertainment.

The first paragraph does not apply to charities or public institutions.

1995, c. 63, s. 462; 1997, c. 85, s. 701; 2001, c. 53, s. 381; 2009, c. 15, s. 519; 2015, c. 21, s. 766.

**457.1.1.** For the purposes of section 457.1, where a person is required under that section to add, in determining the person's net tax, an amount determined by reference to an input tax refund claimed by the person in a return for a reporting period in a fiscal year of the person, the appropriate reporting period of the person is

- (1) if the person ceases to be registered under Division I of Chapter VIII in a reporting period ending in that fiscal year, that reporting period;
- (2) if that fiscal year is the person's reporting period, that reporting period; and
- (3) in any other case, the person's reporting period that begins immediately after that fiscal year.

2001, c. 53, s. 382.

**457.1.2.** If tax calculated on an amount (in this section referred to as the "unreasonable consideration") that is all or part of the total amount that becomes due from a person, or is paid by a person without having become due, in respect of a supply of property or a service made to the person is, because of section 206, not to be included in determining an input tax refund, for the purposes of section 457.1, that total amount is deemed to be the amount, if any, by which it exceeds the total of the unreasonable consideration and all gratuities, and duties, fees or tax under this Title or under an Act of the Legislature of Québec, another province, the Northwest Territories, the Yukon Territory, Nunavut or of the Parliament of Canada, that are paid or payable in respect of the unreasonable consideration.

2001, c. 53, s. 382; 2005, c. 38, s. 385.

**457.1.3.** For the purposes of this section and sections 457.1.4 to 457.1.6,

"amount paid in a remote location" means an amount paid or payable by a registrant, in a particular fiscal year, in respect of a supply of property or a service relating to the consumption by an individual of food or beverages in a place that is at least 40 kilometres from the permanent establishment of the registrant at which the individual ordinarily works, or to which the individual ordinarily reports, in the performance of the individual's duties in relation to the activities related to the establishment of the registrant, to the extent that the food or beverages are consumed in the course of activities of the registrant that ordinarily entail that an individual works in a place so remotely located from the permanent establishment;

"appropriate reporting period" means the reporting period determined under section 457.1.6;

"business" has the meaning assigned by section 1 of the Taxation Act (chapter I-3);

"property" has the meaning assigned by section 1 of the Taxation Act;

"taxation year" has the meaning assigned by section 1 of the Taxation Act.

2004, c. 21, s. 537; 2015, c. 21, s. 767; 2017, c. 1, s. 454.

**457.1.4.** A registrant shall, in determining the net tax for the appropriate reporting period of the registrant, add the amount determined by the formula provided for in section 457.1.5 where

(1) an amount, other than an amount paid in a remote location, is an expense incurred by the registrant to earn income from a business or property in a taxation year (in this section referred to as the "composite amount") and

(a) becomes due from the registrant, or is a payment made by the registrant without having become due in respect of a supply of property or a service made to the registrant, or

(b) is paid by the registrant as an allowance or reimbursement in respect of which the registrant is deemed under section 211 or 212 to have received a supply of property or a service;

(2) section 421.1 of the Taxation Act (chapter I-3) applies, or would apply if the registrant were a taxpayer under that Act, to all of the composite amount or that part of it that is, for the purposes of that Act,

an amount paid or payable in respect of the consumption by an individual of food or beverages or in respect of the enjoyment by the individual of entertainment and deems the composite amount or that part of it to be 50% of a particular amount;

(3) the particular amount exceeds the amount determined under the second paragraph; and

(4) tax included in the composite amount or deemed under section 211 or 212 to have been paid by the registrant is included in determining an input tax refund in respect of the property or service that is claimed by the registrant in a return for a reporting period in a fiscal year of the registrant.

For the purposes of this section, the determined amount to which subparagraph 3 of the first paragraph refers is equal to the amount determined by the formula

$$A \times 2.$$

For the purposes of the formula in the second paragraph, A is the amount determined under section 175.6.1 of the Taxation Act that is, or would be if the registrant were a taxpayer under that Act, deductible in computing the registrant's income from the business or property for the taxation year.

The first paragraph does not apply to charities or public institutions.

2004, c. 21, s. 537; 2005, c. 23, s. 278.

**457.1.5.** For the purposes of section 457.1.4, the amount that a registrant shall add in determining the net tax for the appropriate reporting period of the registrant is determined by the formula

$$50\% \times [(A - B) / C] \times D.$$

For the purposes of this formula,

(1) A is the particular amount referred to in subparagraph 2 of the first paragraph of section 457.1.4;

(2) B is the amount determined under the second paragraph of section 457.1.4;

(3) C is the composite amount referred to in subparagraph 1 of the first paragraph of section 457.1.4; and

(4) D is the amount of the input tax refund claimed by the registrant, in a fiscal year, in relation to the composite amount.

2004, c. 21, s. 537.

**457.1.6.** Where a registrant is required under section 457.1.4 to add, in determining the registrant's net tax, an amount determined by reference to an input tax refund claimed by the registrant in a return for a reporting period in a particular fiscal year, the appropriate reporting period is

(1) where the registrant ceases to be registered under Division I of Chapter VIII in a reporting period ending in the particular fiscal year, that reporting period;



(2) where the registrant's reporting period is the registrant's fiscal year, the reporting period that is the later of

(a) the particular fiscal year, and

(b) the fiscal year in which the taxation year referred to in subparagraph 1 of the first paragraph of section 457.1.4 ends;

(3) where the registrant's reporting period is the registrant's fiscal quarter, the reporting period that begins immediately after the later of

(a) the particular fiscal year, and

(b) the fiscal year in which the taxation year referred to in subparagraph 1 of the first paragraph of section 457.1.4 ends; and

(4) where the registrant's reporting period is the registrant's fiscal month, the registrant's fifth reporting period that begins immediately after the later of

(a) the particular fiscal year, and

(b) the fiscal year in which the taxation year referred to in subparagraph 1 of the first paragraph of section 457.1.4 ends.

2004, c. 21, s. 537.

**457.2.** Where a registrant who is an individual has claimed, in a return for a reporting period in a fiscal year, an input tax refund in respect of property or a service that is acquired or brought into Québec for consumption or use in relation to the maintenance of a self-contained domestic establishment that includes a work space described in subparagraph *a* or *b* of paragraph 1.1 of section 203, an amount that is 50% of the refund claimed shall be added in determining the registrant's net tax

(1) where the registrant ceases in or at the end of that fiscal year to be registered under Division I, for the last reporting period of the registrant in that fiscal year;

(2) where the reporting period of the registrant is a fiscal year of the registrant, for that reporting period; and

(3) in any other case, for the reporting period of the registrant beginning immediately after the end of that fiscal year.

For the purposes of this section, property or a service acquired or brought into Québec for consumption or use in relation to the maintenance of a self-contained domestic establishment includes property or a service relating to the maintenance, repair or improvement of the establishment but does not include the electricity, gas, fuel or steam used in lighting or heating the establishment.

This section does not apply to an input tax refund claimed

(1) in respect of property or a service acquired or brought into Québec for exclusive consumption or use in relation to the work space; or

(2) in relation to the operation of a tourist accommodation establishment that is a principal residence establishment, bed and breakfast establishment or tourist home, within the meaning of the regulations made under the Tourist Accommodation Act (chapter H-1.01), where the tourist accommodation establishment is duly registered under that Act.

1997, c. 85, s. 702; 2004, c. 21, s. 538; 2015, c. 21, s. 768; 2017, c. 29, s. 257; 2023, c. 2, s. 93.

**457.3.** If a registrant has received a zero-rated supply of a continuous transmission commodity referred to in section 191.3.2 and the commodity is neither shipped outside Québec, as described in subparagraph 1 of the first paragraph of section 191.3.2, nor supplied, as described in subparagraph 2 of the first paragraph of section 191.3.2, by the registrant, the registrant shall, in determining the net tax for the reporting period of the registrant that includes the earliest day on which tax would, but for section 191.3.2, have become payable in respect of the supply, add an amount equal to interest, at the rate prescribed under section 28 of the Tax Administration Act (chapter A-6.002), on the amount of tax that would have been payable in respect of the supply if it were not a zero-rated supply, computed for the period beginning on that earliest day and ending on the day on or before which the return under section 468 for that reporting period is required to be filed.

2001, c. 53, s. 383; 2009, c. 5, s. 667; 2010, c. 31, s. 175.

**457.4.** If a registrant has received a supply of property, except a zero-rated supply other than the zero-rated supply referred to in section 179.1, from a supplier to whom the registrant has provided a shipping certificate, within the meaning of section 427.3, for the purposes of that supply and an authorization of the registrant to use the certificate was not in effect at the time the supply was made or the registrant did not ship the property outside Québec in the circumstances described in paragraphs 2 to 4 of section 179, the registrant shall, in determining the net tax for the reporting period of the registrant that includes the earliest day on which tax in respect of the supply became payable or would have become payable if the supply were not a zero-rated supply, add an amount equal to interest, at the rate prescribed under section 28 of the Tax Administration Act (chapter A-6.002), on the amount of tax that was payable or would have been payable in respect of the supply if it were not a zero-rated supply, computed for the period beginning on that earliest day and ending on the day on or before which the return under section 468 for that reporting period is required to be filed.

2003, c. 2, s. 349; 2009, c. 5, s. 667; 2010, c. 31, s. 175.

**457.5.** Where an authorization granted to a registrant to use a shipping certificate, within the meaning of section 427.3, is deemed to have been revoked under section 427.7 from the day after the last day of a fiscal year of the registrant, the registrant shall, in determining the net tax for the first reporting period of the registrant following that year, add the amount determined by the formula

$$A \times B/12.$$

For the purposes of the formula,

(1) A is the product obtained when 9.975% is multiplied by the total of all amounts each of which is consideration paid or payable by the registrant for a supply made in Québec of an item of inventory acquired by the registrant in the year that is a zero-rated supply only because it is referred to in section 179.1, other than a supply in respect of which the registrant is required under section 457.4 to add an amount in determining net tax for any reporting period; and

(2) B is the rate of interest prescribed under section 28 of the Tax Administration Act (chapter A-6.002) that is in effect on the last day of that first reporting period.

2003, c. 2, s. 349; 2009, c. 5, s. 668; 2010, c. 31, s. 175; 2011, c. 6, s. 283; 2012, c. 28, s. 168.

**457.6.** If a registrant has received a supply of property, except a zero-rated supply other than the zero-rated supply referred to in section 179.2, from a supplier to whom the registrant has provided a shipping distribution centre certificate, within the meaning of section 350.23.7, for the purposes of that supply and an authorization of the registrant to use the certificate was not in effect at the time the supply was made or the property was not acquired by the registrant for use or supply as domestic inventory or as added property, within the meaning assigned to those expressions by section 350.23.1, in the course of commercial activities of the registrant, the registrant shall, in determining the net tax for the reporting period of the registrant that

includes the earliest day on which tax in respect of the supply became payable or would have become payable if the supply were not a zero-rated supply, add an amount equal to interest, at the rate prescribed under section 28 of the Tax Administration Act (chapter A-6.002), on the amount of tax that was payable or that would have been payable in respect of the supply if it were not a zero-rated supply, computed for the period beginning on that earliest day and ending on the day on or before which the return under section 468 for that reporting period is required to be filed.

2003, c. 2, s. 349; 2009, c. 5, s. 669; 2010, c. 31, s. 175.

**457.7.** Where an authorization granted to a registrant under section 350.23.7 is in effect at any time in a fiscal year of the registrant and the shipping revenue percentage of the registrant, as defined in section 350.23.1, for that year is less than 90% or the circumstances described in paragraph 1 or 2 of section 350.23.11 exist in respect of the year, the registrant shall, in determining the net tax for the first reporting period of the registrant following the year, add the amount determined by the formula

$$A \times B/12.$$

For the purposes of the formula,

(1) A is the product obtained when 9.975% is multiplied by the total of all amounts each of which is consideration paid or payable by the registrant for a supply made in Québec of property acquired by the registrant in the year that is a zero-rated supply only because it is referred to in section 179.2, other than a supply in respect of which the registrant is required under section 457.6 to add an amount in determining net tax for any reporting period; and

(2) B is the rate of interest prescribed under section 28 of the Tax Administration Act (chapter A-6.002) that is in effect on the last day of that first reporting period.

2003, c. 2, s. 349; 2009, c. 5, s. 670; 2010, c. 31, s. 175; 2011, c. 6, s. 284; 2012, c. 28, s. 169.

**457.8.** A person may make an election in respect of a residential complex, or of an addition to a multiple unit residential complex, for a particular reporting period if

(1) the person is the builder of the residential complex or addition;

(2) the person is deemed under any of sections 223, 225 and 226 to have made and received, at a particular time that is before 27 February 2008, a taxable supply by way of sale of the residential complex or addition and to have paid as a recipient and to have collected as a supplier a particular amount of tax in respect of that supply;

(3) the person has not reported an amount as or on account of tax in respect of the taxable supply in the person's return filed under this chapter for a reporting period the return for which is filed before 27 February 2008 or is required under this chapter to be filed on or before that date;

(4) the person would be entitled to claim

(a) a rebate under section 378.6 in respect of the residential complex or addition that is determined based on the particular amount of tax if

i. section 378.6 were applied without reference to section 378.16, and

ii. the amount determined for B in the formula in the first paragraph of section 378.7 for a qualifying residential unit, within the meaning of section 378.4, that forms part of the residential complex or addition were less than \$225,000, or

(b) a rebate under section 378.14 that is determined based on the rebate to which the person would be entitled under paragraph *d* of subsection 1 of section 236.4 of the Excise Tax Act (R.S.C. 1985, c. E-15) if

i. section 378.14 were applied without reference to section 378.16, and

ii. the election provided for in subsection 1 of section 236.4 of the Excise Tax Act were made in accordance with that subsection;

(5) the person did not supply to another person by way of sale the residential complex or addition before 27 February 2008;

(6) the particular reporting period ends before 27 February 2010;

(7) the election is filed with the Minister, in the prescribed form containing prescribed information, not later than the day on or before which the person is required to file a return, under this chapter, for the particular reporting period; and

(8) the person has not made another election under this section in respect of the residential complex or addition.

2009, c. 15, s. 520.

**457.9.** If a person makes an election under section 457.8 in respect of a residential complex, or of an addition to a multiple unit residential complex, for a reporting period, the person shall, in determining the net tax for that period, add the positive amount or deduct the negative amount determined by the formula

$(A - B) - C$ .

For the purposes of this formula,

(1) A is the particular amount of tax referred to in paragraph 2 of section 457.8;

(2) B is

(a) the amount of the rebate that the person would be entitled, if section 378.6 were applied without reference to section 378.16, to claim under section 378.6 in respect of the residential complex or addition, that is determined based on the particular amount of tax, or

(b) the amount of the rebate that the person would be entitled, if section 378.14 were applied without reference to section 378.16, to claim under section 378.14, that is determined based on the rebate to which the person is entitled under paragraph *d* of subsection 1 of section 236.4 of the Excise Tax Act (R.S.C. 1985, c. E-15); and

(3) C is the amount determined by the formula

$C_1 - C_2$ .

For the purposes of the formula in subparagraph 3 of the second paragraph,

(1)  $C_1$  is the total of all amounts each of which is an input tax refund of the person

(a) that is in respect of property or a service acquired or brought into Québec, before the particular time referred to in paragraph 2 of section 457.8, for consumption or use for the purpose of making the supply referred to in that paragraph, and

(b) in respect of which the person satisfies the requirements of the first paragraph of section 201 at the time the election under section 457.8 is filed; and

(2)  $C_2$  is the total of all amounts each of which is an amount included in the determination of  $C_1$ , but only to the extent that the amount can reasonably be regarded as an amount that

(a) was claimed or included as an input tax refund or deduction in determining the net tax for the reporting period or a preceding reporting period of the person,

(b) has previously been rebated, refunded or remitted to the person, or that the person is entitled to obtain as a rebate, refund or remission, or

(c) is included in an adjustment, refund or credit for which a credit note referred to in section 449 has been received by the person or a debit note referred to in that section has been issued by the person.

2009, c. 15, s. 520.

**457.10.** If a person makes an election under section 457.8 in respect of a residential complex, or of an addition to a multiple unit residential complex, for a reporting period, the person is deemed

(1) to have been deemed—under section 223 if the election is made in respect of a single unit residential complex or a residential unit held in co-ownership, under section 225 if the election is made in respect of a multiple unit residential complex or under section 226 if the election is made in respect of an addition—to have made and received, at the particular time referred to in paragraph 2 of section 457.8, a taxable supply of the residential complex or addition by way of sale and to have paid as a recipient and to have collected as a supplier tax in respect of the supply equal to the particular amount of tax referred to in that paragraph;

(2) to have claimed each amount that is included in the determination of  $C_1$  in the formula in subparagraph 3 of the second paragraph of section 457.9 as an input tax refund in determining the person's net tax for the reporting period, but only to the extent that the amount is not included in the determination of  $C_2$  in that formula;

(3) to have claimed and received a rebate under section 378.6 or 378.14, in respect of the residential complex or addition, equal to the amount determined for B in the formula in the first paragraph of section 457.9; and

(4) not to be required to include the particular amount of tax deemed to have been collected under paragraph 1 for the purpose of determining the person's net tax for the reporting period that includes the particular time, other than for the purpose of including the particular amount in the determination of A in the formula in the first paragraph of section 457.9.

2009, c. 15, s. 520.

**457.11.** For the purposes of section 431, if a person makes an election under section 457.8, an input tax refund in respect of the residential complex or addition that the person is deemed to have received under

paragraph 1 of section 457.10 is deemed to be an input tax refund for the person's reporting period that includes 26 February 2008 and not an input tax refund for any other reporting period.

2009, c. 15, s. 520.

**457.12.** If a person makes an election under section 457.8 in respect of a residential complex, or of an addition to a multiple unit residential complex, section 25 of the Tax Administration Act (chapter A-6.002) applies to any assessment or reassessment of an amount added to, or deducted from, net tax by the person in respect of the residential complex or addition.

However, the Minister has until the day that is four years after the day on or before which the election under section 457.8 is required to be filed with the Minister to make any assessment or reassessment for the purpose of taking into account an amount that is, or is required to be, added or subtracted in determining the amount determined under the formula in the first paragraph of section 457.9.

2009, c. 15, s. 520; 2010, c. 31, s. 175.

**457.13.** For the purposes of sections 457.8 to 457.12, if a person is the builder of an addition to a residential complex and is eligible to make an election under section 457.8 in respect of the addition or the remainder of the residential complex, the addition and the remainder of the residential complex are each deemed to be a separate property.

2009, c. 15, s. 520.

**458.** (*Repealed*).

1991, c. 67, s. 458; 1993, c. 19, s. 236.

#### § 8. — *Instalments*

1995, c. 63, s. 463.

**458.0.1.** Subject to the second paragraph, where the reporting period of a registrant is a fiscal year or a period determined under section 461.1, the registrant shall, within one month after the end of each fiscal quarter of the registrant that ends in the reporting period, pay to the Minister an amount equal to

- (1) except where paragraph 2 applies, 1/4 of the registrant's instalment base for that reporting period; or
- (2) where the circumstances described in section 458.0.3.1 exist, the amount determined in accordance with that section.

A registrant that is both a selected listed financial institution and either a non-stratified investment plan having made an election under section 49 or 61 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (R.S.C. 1985, c. E-15) or under section 433.19.1 or 433.19.10, as the case may be, or a stratified investment plan having made an election under section 49 or 64 of those Regulations or under section 433.19.1 or 433.19.11 in respect of each series of the plan, as the case may be, which election is in effect throughout a particular fiscal year, and whose reporting period is the particular fiscal year, shall, within one month after the end of each fiscal quarter of the registrant that ends in the reporting period, pay to the Minister an amount equal to the amount that would be the net tax of the registrant for the fiscal quarter if the fiscal quarter were a reporting period of the registrant.

1995, c. 63, s. 463; 2012, c. 28, s. 170; 2015, c. 21, s. 769.

**458.0.1.1.** If a selected listed financial institution is a non-stratified investment plan, if units of the investment plan are issued, distributed or offered for sale in a particular fiscal year of the investment plan that ends in a particular taxation year of the investment plan, if immediately before the issuance, distribution or offering for sale no units of the investment plan are issued and outstanding and if no election is in effect under any of sections 49, 60 and 61 of the Selected Listed Financial Institutions Attribution Method (GST/HST)

Regulations made under the Excise Tax Act (R.S.C. 1985, c. E-15) or under section 433.19.1 or 433.19.10 or the third paragraph of section 433.16, as the case may be, in respect of the investment plan and the particular fiscal year, section 458.0.1 is to be read as follows for each fiscal quarter of the investment plan that precedes the fiscal quarter that includes the reconciliation day, within the meaning of subparagraph ii of paragraph *a* of section 59 of those Regulations:

“**458.0.1.** Where the reporting period of a registrant is a fiscal year or a period determined under section 461.1, the registrant shall, within one month after the end of each fiscal quarter of the registrant that ends in the reporting period, pay to the Minister an amount equal to 1/4 of the amount that would be the net tax of the registrant for the reporting period if subparagraph 3 of the second paragraph of section 433.16 were read as follows:

“(3) *C* is an estimate of the financial institution’s percentage as regards Québec for the preceding taxation year of the financial institution that would be determined by the financial institution in accordance with paragraph *c* of section 59 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act if Québec were a participating province within the meaning of subsection 1 of section 123 of that Act;”.

If a selected listed financial institution is a stratified investment plan, if units of a series of the investment plan are issued, distributed or offered for sale in a particular fiscal year of the investment plan that ends in a particular taxation year of the investment plan, if immediately before the issuance, distribution or offering for sale no units of the series are issued and outstanding and if no election is in effect under any of sections 49, 63 and 64 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations or under section 433.19.1 or 433.19.11 or the third paragraph of section 433.16.2, as the case may be, in respect of the series and the particular fiscal year, section 458.0.1 is to be read as follows for each fiscal quarter of the investment plan that precedes the fiscal quarter that includes the reconciliation day, within the meaning of subparagraph ii of paragraph *a* of section 62 of those Regulations:

“**458.0.1.** Where the reporting period of a registrant is a fiscal year or a period determined under section 461.1, the registrant shall, within one month after the end of each fiscal quarter of the registrant that ends in the reporting period, pay to the Minister an amount equal to 1/4 of the amount that would be the net tax of the registrant for the reporting period if subparagraph 1 of the second paragraph of section 433.16.2 were read as follows:

“(1) *A* is the value *A* would have in the formula in subsection 1 of section 48 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (R.S.C. 1985, c. E-15), determined for the particular period as regards Québec, if Québec were a participating province, within the meaning of subsection 1 of section 123 of that Act, and if paragraph *c* of section 62 of those Regulations were taken into account;”.

2015, c. 21, s. 770.

**458.0.2.** Subject to section 458.0.2.1, a registrant’s instalment base for a particular reporting period of the registrant is the lesser of

(1) an amount equal to

(a) in the case of a reporting period determined under section 461.1, the amount determined by the formula

$A \times 365 / B$ ; and

- (b) in any other case, the net tax for the particular reporting period; and
- (2) the amount determined by the formula

$$C \times 365 / D.$$

For the purposes of these formulas,

- (1) A is the net tax for the particular reporting period;
- (2) B is the number of days in the particular reporting period;
- (3) C is the total of all amounts each of which is the net tax for a reporting period of the registrant ending in the 12 month period immediately preceding the particular reporting period; and
- (4) D is the number of days in the period commencing on the first day of the first of those preceding reporting periods and ending on the last day of the last of those preceding reporting periods.

1995, c. 63, s. 463; 2015, c. 21, s. 771.

**458.0.2.1.** If a registrant is both a selected listed financial institution and a stratified investment plan that is not referred to in the second paragraph of section 458.0.1, in respect of a particular reporting period, and the registrant has made an election under section 433.19.4 or under section 50 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (R.S.C. 1985, c. E-15), which election is in effect throughout the particular reporting period, section 458.0.2 is to be read

(1) as if subparagraph *b* of subparagraph 1 of the first paragraph were replaced by the following subparagraph:

“(b) in any other case, the amount that would be the net tax for the particular reporting period if the value of A in the formula in the first paragraph of section 433.16.2 were determined, for that reporting period, with reference to paragraph *b* of subsection 6 of section 48 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (R.S.C. 1985, c. E-15); and”;

(2) as if subparagraph 1 of the second paragraph were replaced by the following subparagraph:

“(1) A is the amount that would be the net tax for the particular reporting period if the value of A in the formula in the first paragraph of section 433.16.2 were determined, for that reporting period, with reference to paragraph *a* of subsection 6 of section 48 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations;”.

If a registrant is both a selected listed financial institution and an investment plan within the meaning of section 433.15.1 that is neither a stratified investment plan, nor an investment plan referred to in the fifth paragraph of section 433.16.2 in respect of a particular reporting period, and the registrant has made an election under section 433.19.4 or under section 50 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, which election is in effect throughout the particular reporting period, section 458.0.2 is to be read

(1) as if subparagraph *b* of subparagraph 1 of the first paragraph were replaced by the following subparagraph:



“(b) in any other case, the amount that would be the net tax for the particular reporting period if subparagraph *b* of subparagraph 3 of the second paragraph of section 433.16 were read as if “determined for the taxation year” were replaced by “determined for the preceding taxation year”; and”; and

(2) as if subparagraph 1 of the second paragraph were replaced by the following subparagraph:

“(1) A is the amount that would be the net tax for the particular reporting period if subparagraph *b* of subparagraph 3 of the second paragraph of section 433.16 were read as if “determined for the taxation year” were replaced by “determined for the preceding taxation year”.”.’

2015, c. 21, s. 772.

**458.0.3.** For the purposes of section 458.0.1, where a registrant’s instalment base for a reporting period is less than \$3,000, it is deemed to be nil.

1995, c. 63, s. 463; 2009, c. 15, s. 521.

**458.0.3.1.** For the purposes of subparagraph 2 of the first paragraph of section 458.0.1, where a person (other than an investment plan within the meaning of section 433.15.1) becomes a selected listed financial institution during a reporting period, the instalment to be paid within one month after the end of each fiscal quarter of the person that ends in the reporting period is equal to

(1) where the fiscal quarter is the first fiscal quarter in the reporting period, 1/4 of the amount determined in accordance with section 458.0.2; and

(2) in any other case, the lesser of

(a) 1/4 of the amount determined in accordance with subparagraph 1 of the first paragraph of section 458.0.2, and

(b) the amount determined by the formula

$A \times B$ .

For the purposes of the formula in subparagraph *b* of subparagraph 2 of the first paragraph,

(1) A is the value of A in the formula in subparagraph ii of paragraph *b* of subsection 5 of section 237 of the Excise Tax Act (R.S.C. 1985, c. E-15), determined for the reporting period; and

(2) B is the percentage corresponding to the value D would have in the formula in subparagraph ii of paragraph *b* of subsection 5 of section 237 of the Excise Tax Act, for the financial institution as regards Québec, determined for the preceding fiscal quarter, if Québec were a participating province within the meaning of subsection 1 of section 123 of that Act and if, where applicable, the financial institution were a selected listed financial institution for the purposes of that Act.

2012, c. 28, s. 171; 2015, c. 21, s. 773.

**458.0.4.** If a person fails to pay all of an instalment payable by the person under section 458.0.1 within the time specified in that section, the person shall pay, on the amount of the instalment not paid, interest at the rate prescribed under section 28 of the Tax Administration Act (chapter A-6.002), computed for the period beginning on the day of expiry of that time and ending on the earlier of

(1) the day the total of the amount and interest is paid; and

- (2) the day on which the tax on account of which the instalment was payable is required to be remitted.

1995, c. 63, s. 463; 2009, c. 5, s. 671; 2010, c. 31, s. 175.

**458.0.5.** Despite section 458.0.4, the total interest payable by a person under that section for the period beginning on the first day of a reporting period for which an instalment on account of tax is payable and ending on the day on which the tax on account of which the instalment was payable is required to be remitted must not exceed the amount, if any, by which the amount of interest that would be payable under section 458.0.4 for the period by the person if no amount were paid by the person on account of instalments payable in the period exceeds the total of all amounts each of which is an amount of interest at the rate prescribed under section 28 of the Tax Administration Act (chapter A-6.002), computed on an instalment of tax paid for the period beginning on the day of that payment and ending on the day on which the tax on account of which the instalment was payable is required to be remitted.

1995, c. 63, s. 463; 2009, c. 5, s. 671; 2010, c. 31, s. 175.

## **DIVISION IV**

### **FISCAL PERIOD, REPORTING PERIOD AND RETURN**

1994, c. 22, s. 616.

#### **§ 0.1. — *Fiscal period***

1994, c. 22, s. 617.

#### **I. — *Definitions***

1994, c. 22, s. 617.

#### **458.1. (*Repealed*).**

1994, c. 22, s. 617; 1995, c. 63, s. 464; 2015, c. 21, s. 774.

**458.1.1.** The fiscal quarters in a fiscal year of a person shall be determined in accordance with the following rules:

- (1) there shall not be more than four fiscal quarters in the year;
- (2) the first fiscal quarter in the year shall begin on the first day of that year, and the last fiscal quarter in the year shall end on the last day of that year;
- (3) each fiscal quarter shall be shorter than 120 days; and
- (4) except for the first and last fiscal quarters in the year, each fiscal quarter shall be longer than 83 days.

1995, c. 63, s. 465.

**458.1.2.** The fiscal months in a fiscal year of a person shall be determined in accordance with the following rules:

- (1) the first fiscal month in each fiscal quarter in the year shall begin on the first day of that fiscal quarter, and the last fiscal month in each fiscal quarter shall end on the last day of that fiscal quarter;
- (2) each fiscal month shall be shorter than 36 days except that the Minister may, on request in writing made in prescribed form containing prescribed information and filed with the Minister in prescribed manner, allow the person to have one fiscal month that is longer than 35 days in a fiscal quarter; and

(3) each fiscal month shall be longer than 27 days unless

(a) that fiscal month is the first or last fiscal month in a fiscal quarter, or

(b) the Minister, on request in writing made in prescribed form containing prescribed information and filed with the Minister in prescribed manner, allows the person to have that fiscal month shorter than 28 days.

1995, c. 63, s. 465.

## II. — *Determination of fiscal year, fiscal quarters and fiscal months*

1994, c. 22, s. 617.

**458.2.** Where a person is a registrant at any time in a fiscal year of the person, the person shall notify the Minister of the first and last days of each of the fiscal quarters and fiscal months in the year in prescribed form containing prescribed information and filed with and as prescribed by the Minister on or before the day that is

(1) where the person becomes a registrant in that fiscal year, the later of

(a) the day the person files an application for registration or, where the person was required under section 410 or 410.1 to file that application, the day the person was so required to file that application, and

(b) the effective date of the registration; and

(2) in any other case, the first day of that fiscal year.

The first paragraph does not apply in cases where section 458.6 applies.

1994, c. 22, s. 617; 1995, c. 63, s. 466.

**458.2.1.** Where a person fails to determine the fiscal quarters or fiscal months in a fiscal year of the person in accordance with the rules set out in section 458.1.1 or 458.1.2, or fails to satisfy the requirements of section 458.2, the following rules apply:

(1) if the fiscal year of the person is the calendar year, the fiscal quarters and fiscal months of the person are deemed to be the calendar quarters and calendar months; and

(2) notwithstanding section 458.4, if the fiscal year of the person is not the calendar year, the fiscal year of the person is deemed to be the calendar year and the fiscal quarters and fiscal months of the person are deemed to be the calendar quarters and calendar months.

1995, c. 63, s. 467.

## **458.3.** *(Repealed).*

1994, c. 22, s. 617; 1995, c. 63, s. 468.

## III. — *Election for fiscal year*

1994, c. 22, s. 617.

**458.4.** A person may make an election under the second paragraph as prescribed by the Minister, in prescribed form containing prescribed information.

The person referred to in the first paragraph may elect,

(1) where the taxation year of the person within the meaning of Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) is not a calendar year, to have fiscal years that are calendar years;

(2) where the taxation year of an individual or a trust, within the meaning of Part IX of the Excise Tax Act, is not a period that is, for the purposes of the Taxation Act (chapter I-3), the fiscal period of a business carried on by the individual or trust, or by a partnership of which the individual or trust is a member, to have the fiscal year of the individual or trust be that fiscal period.

For the purposes of the preceding paragraphs, the following rules apply:

(1) an election made under subparagraph 1 of the second paragraph shall become effective on the first day of the calendar year;

(2) an election made under subparagraph 2 of the second paragraph shall become effective on the first day of one of the fiscal periods of the individual or trust; and

(3) the election shall specify the day it is to become effective and shall be filed with the Minister on or before that day.

The first paragraph does not apply in cases where section 458.6 applies.

1994, c. 22, s. 617; 1995, c. 63, s. 469.

**458.5.** A person may revoke an election made under section 458.4 as prescribed by the Minister, in prescribed form containing prescribed information.

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

(1) the revocation is effective on the first day of a taxation year of the person that begins more than one year after the day the election under section 458.4 became effective; and

(2) the revocation shall specify the day it is to become effective and shall be filed with the Minister on or before that day.

1994, c. 22, s. 617.

#### § IV. — Selected listed financial institution

**458.5.1.** If a person is both a financial institution described in paragraph 6 or 9 of the definition of “listed financial institution” in section 1 and a selected listed financial institution throughout a particular reporting period in a particular fiscal year that begins in a particular calendar year and the person was not a selected listed financial institution throughout the reporting period immediately before the particular reporting period, the following rules apply:

(1) the particular fiscal year ends on the last day of the particular calendar year; and

(2) as of the beginning of the first day of the calendar year that is immediately after the particular calendar year, any election made by the person under section 458.4 ceases to have effect and the fiscal years of the person are calendar years.

2015, c. 21, s. 775.

**458.5.2.** Despite section 458.5.1, if a particular person is both a financial institution described in paragraph 6 or 9 of the definition of “listed financial institution” in section 1 and a selected listed financial institution throughout a particular reporting period in a particular fiscal year, the following rules apply if the particular person is party to a plan merger, within the meaning of subsection 1 of section 16 of the Selected

Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (R.S.C. 1985, c. E-15):

- (1) the particular fiscal year of the particular person ends on the day immediately before the merger; and
- (2) the fiscal year of the person resulting from the merger begins on the day of the merger.

2015, c. 21, s. 775.

**458.5.3.** If a person is both a financial institution described in paragraph 6 or 9 of the definition of “listed financial institution” in section 1 and a selected listed financial institution throughout a particular reporting period in a particular fiscal year, and the person is not a selected listed financial institution throughout a reporting period in the subsequent fiscal year of the person, that subsequent fiscal year ends on the day on which it would end but for this subdivision IV.

2015, c. 21, s. 775.

**458.5.4.** Where a particular fiscal year of an investment limited partnership begins in 2018 and includes 1 January 2019 and the investment limited partnership would be a selected listed financial institution throughout a reporting period in the particular fiscal year if the particular fiscal year began on 1 January 2019 and ended on 31 December 2019, the following rules apply:

- (1) the particular fiscal year ends on 31 December 2018;
- (2) subject to section 458.5.2, the fiscal years of the investment limited partnership are calendar years as of 1 January 2019;
- (3) any election made by the investment limited partnership under section 458.4 ceases to have effect as of 1 January 2019; and
- (4) if the first taxation year of the investment limited partnership that begins after 31 December 2018 does not begin on 1 January 2019, for the purposes of Title I (other than the definitions of “financial institution” and “listed financial institution” in section 1 and sections 349 and 350) the investment limited partnership is deemed, for the period beginning on 1 January 2019 and ending on the day preceding the first day of that taxation year, to be a financial institution, a listed financial institution and a person referred to in paragraph 9 of that definition of “listed financial institution”.

2022, c. 23, s. 212.

## § 1. — *Reporting period*

### I. — *General provisions*

1994, c. 22, s. 618.

**458.6.** For the purposes of this division and notwithstanding section 459.0.1, the reporting period of a person who is a registrant at a particular time in the fiscal year of the person is deemed to be the reporting period of the person at that time in the fiscal year of the person for the purposes of Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), where the person is a registrant under Part IX of that Act, at the time that reporting period becomes effective under that Act.

For the purposes of the first paragraph, the Minister may require to be informed by a person, as prescribed and within the time determined by the Minister in prescribed form containing prescribed information, of the reporting periods of the person for the purposes of Part IX of the Excise Tax Act for each of the person’s fiscal periods.

1994, c. 22, s. 618; 1995, c. 63, s. 470.

**458.7.** Section 458.6 does not apply to

- (1) *(paragraph repealed)*;
- (2) a clothing manufacturer within the meaning of section 350.48;
- (3) a financial institution described in paragraph 6 or 9 of the definition of “listed financial institution” in section 1 that is a selected listed financial institution throughout a particular reporting period in a particular fiscal year without being a selected listed financial institution for the purposes of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15).

1995, c. 63, s. 471; 2002, c. 9, s. 172; 2012, c. 28, s. 172; 2015, c. 21, s. 776.

**458.8.** Despite any other provision of this division, the particular reporting period of a person that begins before 1 January 2013 and that, but for this section, would end after 31 December 2012 is deemed to end on 31 December 2012, if

- (1) the person is a listed financial institution;
- (2) the person is a registrant on 31 December 2012 for the purposes of this Title and of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15); and
- (3) the person’s reporting period under Part IX of the Excise Tax Act that includes 1 January 2013 does not correspond to the reporting period that would be the person’s particular reporting period, but for this section.

Despite any other provision of this division, where, throughout a person’s particular reporting period that begins before 1 January 2013 and that, but for this paragraph, would end after 31 December 2012, the person would have been a selected listed financial institution or is a selected listed financial institution for the purposes of Part IX of the Excise Tax Act, the particular reporting period is deemed to end on 31 December 2012.

Despite any other provision of this division, a person’s reporting period that follows the particular reporting period that is deemed to end on 31 December 2012 under this section, or that begins on 1 January 2013 following the person’s registration under section 407.6, ends on the day on which the person’s reporting period under Part IX of the Excise Tax Act that includes 1 January 2013 ends, unless the person is both a financial institution referred to in paragraph 6 or 9 of the definition of “listed financial institution” in section 1 and a selected listed financial institution throughout the reporting period without being a selected listed financial institution for the purposes of Part IX of the Excise Tax Act throughout the reporting period for the purposes of that Part IX that includes 1 January 2013.

2012, c. 28, s. 173; 2015, c. 36, s. 223; 2017, c. 1, s. 455.

**459.** Subject to sections 466 and 467, the reporting period of a person who is not a registrant is a calendar month.

1991, c. 67, s. 459; 1993, c. 19, s. 237; 1994, c. 22, s. 619; 1995, c. 63, s. 472; 1997, c. 85, s. 703.

**459.0.1.** Subject to sections 305, 306, 307, 314, 314.1, 315, 324.7, 461.1, 466 and 467, the reporting period of a registrant at a particular time in a fiscal year of the registrant is

- (1) the fiscal year of the registrant that includes that time
  - (a) where the registrant has made an election under section 460 that is effective at that time,
  - (b) where

i. the registrant has not made an election under section 459.2, 459.2.1 or 459.4 that is effective at that time,

ii. an election under section 460 by the registrant would be effective at that time if the registrant had made such an election at the beginning of the fiscal year of the registrant that includes that time, and

iii. except where the reporting period of the registrant that includes that time is deemed under section 305, 306, 307, 314, 314.1, 315, 324.7 or 466 to be a separate reporting period, the last reporting period of the registrant ending before that time was a fiscal year of the registrant;

(c) the registrant is a charity and has not made an election under section 459.2, 459.2.1 or 459.4 that is effective at that time, or

(d) where the registrant is described in any of paragraphs 1 to 10 of the definition of “listed financial institution” in section 1 and has not made an election under section 459.2, 459.2.1 or 459.4 that is effective at that time;

(2) the fiscal month of the registrant that includes that time where

(a) the threshold amount of the registrant for the fiscal year or fiscal quarter of the registrant that includes that time exceeds \$6,000,000 and the registrant is neither described in any of paragraphs 1 to 10 of the definition of “listed financial institution” in section 1 nor a charity,

(b) the last reporting period of the registrant ending before that time was the fiscal month of the registrant and the registrant has not made an election under section 459.4 or 460 that is effective at that time,

(c) the registrant has made an election under section 459.2 or 459.2.1 that is effective at that time, or

(d) the registrant is a clothing manufacturer within the meaning of section 350.48; and

(3) *(paragraph repealed)*;

(4) the fiscal quarter of the registrant that includes that time, in all other cases.

1995, c. 63, s. 473; 1997, c. 85, s. 704; 2002, c. 9, s. 173; 2012, c. 28, s. 174.

## II. — *Election for periods*

1994, c. 22, s. 620.

### 1. —

*Repealed, 1995, c. 63, s. 474.*

1994, c. 22, s. 620; 1995, c. 63, s. 474.

### **459.1.** *(Repealed).*

1994, c. 22, s. 620; 1995, c. 63, s. 474.

### 2. — *Election for fiscal month*

1994, c. 22, s. 620.

**459.2.** A person may make an election to have a reporting period that is a fiscal month of the person.

An election under the first paragraph shall take effect

- (1) where the person is a registrant, on the first day of the fiscal year of the person; or
- (2) on the day the person becomes a registrant.

1994, c. 22, s. 620; 1995, c. 63, s. 475.

**459.2.1.** Where a person has made an election under section 460 and the election ceases to have effect at the beginning of a fiscal quarter of the person specified in paragraph 2 of section 461, the person may make an election to have reporting periods that are fiscal months of the person.

An election under the first paragraph shall take effect on the first day of that fiscal quarter.

1995, c. 63, s. 476.

**459.3.** Elections made under sections 459.2 and 459.2.1 by a person remain in effect until the beginning of the particular day on which an election by that person under section 459.4 or 460 becomes effective or, if applicable, until the day on which a revocation of the elections becomes effective, in accordance with the second paragraph, if that day is before the particular day.

A listed financial institution that has made an election under section 459.2 or 459.2.1 may revoke the election and the revocation becomes effective on the first day of a particular fiscal year of the financial institution.

A listed financial institution that intends to revoke an election under the second paragraph shall file with the Minister, in the manner determined by the Minister, a notice of revocation in the prescribed form containing prescribed information, on or before the first day of the particular fiscal year or any later day determined by the Minister.

1994, c. 22, s. 620; 1995, c. 63, s. 477; 2015, c. 21, s. 777.

### *3. — Election for fiscal quarter*

1994, c. 22, s. 620.

**459.4.** A person that is a charity on the first day of a fiscal year of the person or whose threshold amount for a particular fiscal year does not exceed \$6,000,000 may make an election to have reporting periods that are fiscal quarters of the person.

An election under the first paragraph shall take effect

- (a) where the person is a registrant on the first day of the fiscal year of the person, that day; or
- (b) on the day in the fiscal year of the person that the person becomes a registrant.

1994, c. 22, s. 620; 1995, c. 1, s. 332; 1995, c. 63, s. 478; 1997, c. 85, s. 705.

**459.5.** An election made under section 459.4 by a person shall remain in effect until the earliest of

- (1) the beginning of the day an election by the person under section 459.2 or 460 takes effect;
- (2) where the person is not a charity, the beginning of the first fiscal quarter of the person for which the threshold amount of the person exceeds \$6,000,000;
- (3) where the person is not a charity, the beginning of the first fiscal year of the person for which the threshold amount of the person exceeds \$6,000,000; and
- (4) the day on which a revocation of the election made in accordance with the second paragraph becomes effective.



A listed financial institution that has made an election referred to in the first paragraph may revoke the election and the revocation becomes effective on the first day of a particular fiscal year of the financial institution.

A listed financial institution that intends to revoke an election under the second paragraph shall file with the Minister, in the manner determined by the Minister, a notice of revocation in the prescribed form containing prescribed information, on or before the first day of the particular fiscal year or any later day determined by the Minister.

1994, c. 22, s. 620; 1995, c. 1, s. 333; 1995, c. 63, s. 478; 1997, c. 85, s. 706; 2015, c. 21, s. 778.

#### 4. — *Election for fiscal year*

1994, c. 22, s. 621.

**460.** A registrant that is a charity on the first day of a fiscal year of the registrant or whose threshold amount for a particular fiscal year does not exceed \$1,500,000 may make an election to have reporting periods that are fiscal years of the registrant.

An election under the first paragraph shall take effect on the first day of the fiscal year of the person.

1991, c. 67, s. 460; 1994, c. 22, s. 621; 1995, c. 1, s. 334; 1995, c. 63, s. 479; 1997, c. 85, s. 707; 2009, c. 15, s. 522.

#### **460.1.** (*Repealed*).

1993, c. 19, s. 238; 1994, c. 22, s. 622.

**461.** An election made under section 460 by a person shall remain in effect until the earliest of

(1) the beginning of the day an election by the person under section 459.2 or 459.4 takes effect;

(2) where the person is not a charity and the threshold amount of the person for the second or third fiscal quarter of the person in a fiscal year of the person exceeds \$1,500,000, the beginning of the first fiscal quarter of the person for which the threshold amount exceeds that amount; and

(3) where the person is not a charity and the threshold amount of the person for a fiscal year of the person exceeds \$1,500,000, the beginning of that fiscal year.

1991, c. 67, s. 461; 1993, c. 19, s. 239; 1994, c. 22, s. 623; 1995, c. 1, s. 335; 1995, c. 63, s. 480; 1997, c. 85, s. 708; 2009, c. 15, s. 523.

**461.1.** Where a person has made an election under section 460 and the election ceases to have effect on the beginning of a fiscal quarter specified in paragraph 2 of section 461 of the person, the period beginning on the first day of the fiscal year of the person that includes that fiscal quarter and ending immediately before the beginning of that fiscal quarter is deemed to be a reporting period of the person.

1995, c. 63, s. 481.

### III. — *Terms of election*

1994, c. 22, s. 623.

#### 1. — *Determination of threshold amount*

1994, c. 22, s. 623.

**462.** For the purposes of sections 459.0.1, 459.4, 459.5, 460 and 461, the threshold amount of a person in respect of a particular fiscal year of the person is an amount equal to the total of

- (1) the amount determined by the formula

$$A \times 365 / B; \text{ and}$$

- (2) the total of all amounts each of which is an amount in respect of an associate of the person who was associated with the person at the end of the fiscal year of the associate that is the last such year ending at the same time as, or at any time in, the fiscal year immediately preceding the particular fiscal year of the person, determined by the formula

$$C \times 365 / D.$$

For the purposes of these formulas,

(1) A is the total of all consideration, other than consideration referred to in section 75.2 that is attributable to goodwill of a business, for taxable supplies, other than supplies of financial services, supplies by way of sale of immovables that are capital property of the person and supplies included in Part V of Schedule VI to the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), made in Canada by the person in the course of commercial activities that became due to the person in the fiscal year immediately preceding the particular fiscal year of the person or that was paid to the person in that preceding fiscal year without having become due;

(2) B is the number of days in the fiscal year immediately preceding the particular fiscal year;

(3) C is the total of all consideration, other than consideration referred to in section 75.2 that is attributable to goodwill of a business, for taxable supplies, other than supplies of financial services, supplies by way of sale of immovables that are capital property of the associate and supplies included in Part V of Schedule VI to the Excise Tax Act, made in Canada by the associate in the course of commercial activities that became due to the associate in the fiscal year of the associate or that was paid to the associate in that fiscal year without having become due; and

(4) D is the number of days in the fiscal year of the associate.

1991, c. 67, s. 462; 1993, c. 19, s. 240; 1994, c. 22, s. 623; 1995, c. 63, s. 482.

**462.1.** For the purposes of sections 459.0.1, 459.4, 459.5, 460 and 461, the threshold amount of a person for a particular fiscal quarter of the person at any time in a fiscal year of the person is an amount equal to the total of

(1) the total of all consideration, other than consideration referred to in section 75.2 that is attributable to goodwill of a business, for taxable supplies, other than supplies of financial services, supplies by way of sale of immovables that are capital property of the person and supplies included in Part V of Schedule VI to the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), made in Canada by the person in the course of commercial activities that became due to the person in the fiscal quarters of the person ending in the fiscal year which immediately precede the particular fiscal quarter or that was paid to the person in those preceding fiscal quarters without having become due; and

(2) the total of all amounts each of which is an amount in respect of an associate of the person at the beginning of the particular fiscal quarter equal to the total of all consideration, other than consideration referred to in section 75.2 that is attributable to goodwill of a business, for taxable supplies, other than

supplies of financial services, supplies by way of sale of immovables that are capital property of the associate and supplies included in Part V of Schedule VI to the Excise Tax Act, made in Canada by the associate in the course of commercial activities that became due to the associate in the fiscal quarters of the associate that end in that fiscal year of the person before the beginning of the particular fiscal quarter or that was paid to the associate in those fiscal quarters of the associate without having become due.

1994, c. 22, s. 624; 1995, c. 63, s. 483; 2001, c. 53, s. 384.

**462.1.1.** For the purposes of sections 462 and 462.1, “supply made in Canada” means a supply made in Canada for the purposes of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15).

1995, c. 63, s. 484; 2012, c. 28, s. 175.

**462.2.** *(Repealed).*

1994, c. 22, s. 624; 1995, c. 63, s. 485.

## **2. — Filing of election**

1994, c. 22, s. 624.

**462.3.** An election made under section 459.2, 459.2.1, 459.4 or 460 by a person shall be made in prescribed form containing prescribed information, be filed with the Minister in prescribed manner, and specify the first fiscal year in respect of which it applies.

The election referred in the first paragraph shall be filed

(1) where the election is to take effect on the day the person becomes a registrant, at the time the person applies to be registered or, where the effective date of the person’s registration is after that time, at any time between that time and that effective date;

(2) where the election is made under section 460 and the reporting period of the person ending immediately before the day the election is to take effect is a fiscal quarter of the person, within three months after that day; and

(3) in all other cases, within two months after the day the election is to take effect.

1994, c. 22, s. 624; 1995, c. 63, s. 486.

**463.** *(Repealed).*

1991, c. 67, s. 463; 1993, c. 19, s. 241; 1994, c. 22, s. 625.

## **IV. — Special provisions**

1994, c. 22, s. 626.

**464.** *(Repealed).*

1991, c. 67, s. 464; 1993, c. 19, s. 242; 1994, c. 22, s. 627; 1995, c. 63, s. 487.

**465.** *(Repealed).*

1991, c. 67, s. 465; 1993, c. 19, s. 243; 1994, c. 22, s. 627; 1995, c. 63, s. 487.

**466.** Where a person becomes a registrant on a particular day, the following periods are deemed to be separate reporting periods of the person:

(1) the period beginning on the first day of the calendar month that includes the particular day and ending on the day immediately preceding the particular day; and

(2) the period beginning on the particular day and ending on the last day of the reporting period of the person, determined under subdivision 1, that includes the particular day.

1991, c. 67, s. 466; 1994, c. 22, s. 627.

**467.** Where a person ceases to be a registrant on a particular day, the following periods are deemed to be separate reporting periods of the person:

(1) the period beginning on the first day of the reporting period of the person, determined under subdivision 1, that includes the particular day and ending on the day immediately preceding the particular day; and

(2) the period beginning on the particular day and ending on the last day of the calendar month that includes the particular day.

1991, c. 67, s. 467; 1994, c. 22, s. 627.

## § 2. — *Return*

**467.1.** For the purposes of this subdivision, “investment plan” and “manager” have the meaning assigned by section 433.15.1.

2015, c. 21, s. 779.

**468.** Every registrant shall file a return with the Minister for each reporting period of the registrant

(1) where the reporting period is or would, but for section 466, be the fiscal year of the registrant,

(a) if the registrant is described in any of paragraphs 1 to 10 of the definition of “listed financial institution” in section 1, within six months after the end of the fiscal year,

(b) except where subparagraph *a* applies, if the registrant is an individual whose fiscal year is a calendar year and, for the purposes of the Taxation Act (chapter I-3), the individual carried on a business during the year and the filing-due date of the individual for the year is 15 June of the following year, on or before that day, and

(c) in any other case, within three months after the end of the fiscal year; and

(2) in every other case, within one month after the end of the reporting period.

1991, c. 67, s. 468; 1994, c. 22, s. 627; 1995, c. 63, s. 488; 1997, c. 31, s. 148; 2011, c. 6, s. 285; 2012, c. 28, s. 176.

**469.** Notwithstanding section 468, where, in a reporting period of a person not resident in Québec, the person makes a taxable supply in Québec of admissions in respect of an activity, a seminar, an event or a place of amusement, the person shall

(1) file with the Minister a return for that period on or before the earlier of

(a) the day on or before which a return for that period is required to be filed under section 468, and

(b) the day the person, or one or more of his employees who are involved in the commercial activity in which the supply was made, leaves Québec; and

(2) on or before that earlier day, remit all amounts that became collectible, and all other amounts collected by the person, in the period as or on account of tax under section 16.

1991, c. 67, s. 469.

**470.** Every person who is not a registrant shall file a return with the Minister for each reporting period of the person for which net tax is remittable by the person, within one month after the end of the reporting period.

1991, c. 67, s. 470; 1994, c. 22, s. 628.

**470.1.** Despite paragraph 2 of section 468 and section 470, if a selected listed financial institution's reporting period ending in a fiscal year is a fiscal month or a fiscal quarter, the financial institution shall file with the Minister

- (1) an interim return for the reporting period within one month after the end of the period; and
- (2) a final return for the reporting period within six months after the end of the fiscal year.

2012, c. 28, s. 177; 2013, c. 10, s. 232.

**470.2.** An investment plan that is a selected listed financial institution and the manager of the investment plan may jointly elect to have the third paragraph apply if, for the purposes of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15), the investment plan is a registrant and is not a selected listed financial institution.

The third paragraph applies when an investment plan that is a selected listed financial institution and the manager of the investment plan have made a joint election under subsection 1 of section 53 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act.

Despite paragraph 2 of section 468 and sections 470 and 470.1, any interim or final return that the investment plan would be required to file on or before a particular day under this subdivision, but for this section, must be filed by the manager of the investment plan if an election referred to in the first or second paragraph is in effect on the particular day.

If, immediately before the time at which an investment plan ceases to exist, an election referred to in the first or second paragraph is in effect, the return required to be filed under paragraph 1 of section 470.1 for the last reporting period of the investment plan and the returns required to be filed under paragraph 2 of that section for the reporting periods included in the last fiscal year of the investment plan must be filed by the manager of the investment plan.

An election under the first paragraph is to

- (1) be made in the prescribed form containing prescribed information;
- (2) set out the day on which the election is to become effective; and
- (3) be filed with the Minister, in the manner determined by the Minister, before the day on which the election is to become effective or any later day determined by the Minister.

2015, c. 21, s. 780.

**470.3.** An election made under the first paragraph of section 470.2 by a particular person that is an investment plan and another person that is the manager of the investment plan ceases to have effect on the earliest of

- (1) the day on which the other person ceases to be the manager of the particular person;

(2) the day that follows the day on or before which a return is required to be filed under this subdivision for the reporting period of the particular person in which the particular person ceases to be an investment plan;

(3) the day that follows the day on or before which a return is required to be filed under this subdivision for the last reporting period throughout which the particular person is a selected listed financial institution;

(4) the day that follows the day on or before which a return is required to be filed under this subdivision for a particular reporting period if the particular person is a selected listed financial institution for the purposes of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15) throughout the reporting period that follows the particular reporting period; and

(5) the day on which a revocation of the election becomes effective.

An investment plan that has made an election under the first paragraph of section 470.2 may revoke the election and the revocation becomes effective on the day specified by the investment plan.

An investment plan that intends to revoke an election under the second paragraph shall file with the Minister, in the manner determined by the Minister, a notice of revocation in the prescribed form containing prescribed information on or before the day specified under that paragraph or any later day determined by the Minister.

A revocation by an investment plan of an election under the second paragraph becomes effective only if the investment plan notifies, before the day specified under that paragraph, the manager of the investment plan.

2015, c. 21, s. 780.

**470.4.** If a manager and an investment plan have made an election referred to in the first or second paragraph of section 470.2, as the case may be, and, on a day on which that election is effective, the manager is required to file a return for a reporting period in accordance with the third paragraph of that section or the manager files a return for a reporting period of the investment plan, the manager and the investment plan are solidarily liable for any amount owing for that reporting period on account of the net tax and for any interest or penalties in respect of such an amount or in respect of the filing of the return.

2015, c. 21, s. 780.

**470.5.** A manager and any two or more investment plans may jointly elect to have the fourth paragraph apply, if

(1) each of the investment plans has made a joint election under the first paragraph of section 470.2 with the manager; and

(2) the end of the respective reporting periods of those investment plans in the fiscal year in which the election is to become effective are reasonably expected to coincide with each other.

Where an election under the first paragraph of section 470.2 was made by a particular investment plan and its manager and the manager has made a particular election under the first paragraph with other investment plans, the particular investment plan and the manager may jointly elect to have the particular investment plan be included in the particular election as of a particular day, if the end of the reporting period of the particular investment plan in the fiscal year in which the joint election is to become effective is reasonably expected to coincide with the end of the reporting periods of the other investment plans in the fiscal year of each of those investment plans, in which case the following rules apply:

(1) the particular election ceases to have effect on the particular day; and

(2) an election is deemed to have been made under the first paragraph by the manager, the particular investment plan and the other investment plans and that election is deemed to become effective on the particular day.

Where a manager and two or more investment plans have made a joint election under subsection 1 of section 54 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (R.S.C. 1985, c. E-15) and two or more of the investment plans are selected listed financial institutions, the fourth paragraph applies in respect of each of the selected listed financial institutions.

Despite paragraph 2 of section 468 and sections 470 and 470.1, a manager shall file a single joint interim or final return in the prescribed form containing prescribed information, on behalf of the investment plans on or before the particular day on which each of the investment plans would be required to file an interim or final return under this subdivision, but for this section, if the election referred to in the first or third paragraph is in effect on the particular day.

Where, immediately before the particular time at which a particular investment plan ceases to exist, a joint election referred to in the first or third paragraph is in effect, the following rules apply:

(1) subject to subparagraph 3, if a joint election made by the manager and two or more other investment plans is in effect on the day on or before which a single joint interim return is required to be filed because of the fourth paragraph and paragraph 1 of section 470.1 for the particular reporting period of those other investment plans that begins on the same day as the last reporting period of the particular investment plan, the joint interim return must include the information determined by the Minister concerning the last reporting period of the particular investment plan;

(2) subject to subparagraph 3, if a joint election made by the manager and two or more other investment plans is in effect on the day on or before which a single joint final return is required to be filed because of the fourth paragraph and paragraph 2 of section 470.1 for a particular reporting period of those other investment plans that is included in the fiscal year of those other investment plans that begins on the same day as the last fiscal year of the particular investment plan, the joint final return must include the information determined by the Minister concerning the reporting period of the particular investment plan that begins on the same day as the particular reporting period; and

(3) if the joint election was made by the manager and only one other investment plan that is a selected listed financial institution, the election ceases to have effect, if it is referred to in the first paragraph, or is considered to no longer be in effect, if it is referred to in the third paragraph, as the case may be, on the day that includes the particular time.

An election under the first paragraph is to

(1) be made in the prescribed form containing prescribed information;

(2) set out the day on which the election is to become effective; and

(3) be filed with the Minister, in the manner determined by the Minister, before the day on which the election is to become effective or any later day determined by the Minister.

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2015, c. 21, s. 780.

**470.6.** An investment plan that has made a particular election under the first paragraph of section 470.5 may elect to withdraw from the particular election, in which case the election must meet the conditions set out in the sixth paragraph of section 470.5.

A particular investment plan is deemed to have withdrawn from a particular election under the first paragraph of section 470.5 on the earliest of

(1) the day following the day on or before which a return is required to be filed under this subdivision for the particular reporting period of the particular investment plan immediately before the first reporting period in a fiscal year of the particular investment plan that, otherwise than because of section 458.5.2, does not coincide with the reporting periods of the other investment plans that have made the particular election;

(2) the day on which the manager that made the particular election ceases to be the manager of the particular investment plan;

(3) the day following the day on or before which a return is required to be filed under this subdivision for the reporting period of the particular investment plan in which the particular investment plan ceases to be an investment plan;

(4) the day following the day on or before which a return is required to be filed under this subdivision for the last reporting period of the particular investment plan throughout which the particular investment plan is a selected listed financial institution; and

(5) the day following the day on or before which a return is required to be filed under this subdivision for a particular reporting period where the particular investment plan is a selected listed financial institution for the purposes of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15) throughout the reporting period that follows the particular reporting period.

An election made by a particular investment plan to withdraw, in accordance with the first paragraph, from a particular election made by a manager and one or more other investment plans may only become effective on or after the day on which the manager and the other investment plans are notified of the election.

If, on a particular day, a particular investment plan withdraws, in accordance with the first paragraph, from a particular election made by a manager and one or more other investment plans or is deemed to have withdrawn from that election in accordance with the second paragraph, the following rules apply:

(1) the particular election ceases to have effect on the particular day; and

(2) if the particular election was made by the particular investment plan, the manager and two or more other investment plans, an election is deemed to have been made under the first paragraph of section 470.5 by the manager and those other investment plans and that election is deemed to have become effective on the particular day.

2015, c. 21, s. 780.

**470.7.** Investment plans that have made an election under the first paragraph of section 470.5 may jointly revoke the election and the revocation becomes effective on the day specified by them.

Investment plans that intend to revoke an election under the first paragraph shall file with the Minister, in the manner determined by the Minister, a notice of revocation in the prescribed form containing prescribed information on or before the day specified under that paragraph or any later day determined by the Minister.

A revocation by those investment plans of an election under the first paragraph becomes effective only if one of the investment plans notifies, before the day specified under that paragraph, the manager that made the election.

2015, c. 21, s. 780.

**470.8.** If a manager and two or more investment plans have made an election under the first or third paragraph of section 470.5, as the case may be, and, on a day on which the election is effective, the manager is required to file a joint return for the reporting periods of those investment plans in accordance with the fourth paragraph of that section or the manager files a joint return for the reporting periods of the investment plans, the manager and the investment plans are solidarily liable for any amount owing for those reporting



periods on account of the net tax and for any interest or penalties in respect of such an amount or in respect of the filing of the return.

2015, c. 21, s. 780.

**471.** Every return under this subdivision shall be made in prescribed form containing prescribed information and shall be filed with and as prescribed by the Minister.

1991, c. 67, s. 471.

**472.** Where tax under any of sections 18 to 18.0.1.2 is payable by a person,

(1) where the person is a registrant, the person shall, on or before the particular day on which the person's return under section 468 or 469 for the reporting period in which the tax became payable is required to be filed, pay the tax to the Minister or the prescribed person and

(a) except where the person is referred to in subparagraph *b*, report the tax in that return, or

(b) where the person is a qualifying taxpayer, within the meaning of section 26.2, file with the Minister, on or before the particular day, in the manner determined by the Minister a return in respect of the tax in the prescribed form containing prescribed information; and

(2) in any other case, the person shall, on or before the last day of the month following the calendar month in which the tax became payable, pay the tax to the Minister or the prescribed person and file with the Minister or the prescribed person in prescribed manner a return in respect of the tax in the prescribed form containing prescribed information.

1991, c. 67, s. 472; 1994, c. 22, s. 629; 1995, c. 1, s. 336; 1995, c. 63, s. 489; 1997, c. 85, s. 709; 2012, c. 28, s. 178; 2013, c. 10, s. 233; 2022, c. 23, s. 213.

**473.** Every person who is liable to pay tax under section 17 (in this section referred to as the "taxpayer") shall, at the time the tax becomes payable, file a return with the Minister or a prescribed person, in prescribed form containing prescribed information, and at the same time remit to the Minister or prescribed person the tax payable.

Notwithstanding section 17, where a taxpayer is required to file a return under section 468, the taxpayer shall, except where tax under section 17 is to be collected by a prescribed person, furnish in the return information relating to the bringing of the property into Québec and pay the tax upon filing the return under section 468.

1991, c. 67, s. 473; 1993, c. 19, s. 244; 1995, c. 63, s. 490.

**473.1.** Every person who is liable to pay tax under section 16 (in this section referred to as the "taxpayer") in respect of a supply under section 20.1 or of a supply made by a small supplier who is not a registrant, in the course of a commercial activity, of a road vehicle, other than a motor vehicle acquired by a supply by way of retail sale, that must be registered under the Highway Safety Code (chapter C-24.2) following an application by the person shall, at the time of the supply, remit to the Minister or a prescribed person the tax payable in respect of the supply.

The prescribed person shall, as a mandatary of the Minister, collect the tax payable by the taxpayer in respect of the supply.

1993, c. 19, s. 245; 1995, c. 1, s. 337; 1995, c. 63, s. 491; 2001, c. 51, s. 305.

**473.1.1.** Every person who is liable to pay tax under section 16 (in this section referred to as the "taxpayer") in respect of a supply of a motor vehicle by way of retail sale shall, at the time the tax becomes payable under section 82.2, remit the tax payable in respect of the supply

(a) where the time is the time of registration of the vehicle under the Highway Safety Code (chapter C-24.2) following an application by its recipient, to a prescribed person;

(b) where the time is the time the vehicle is delivered to the recipient, to the Minister or to a prescribed person.

The prescribed person shall, as a mandatary of the Minister, collect the tax payable by the taxpayer in respect of the supply and indicated by the supplier, in accordance with section 425.1, and give the taxpayer the document required for the purposes of this Title to substantiate a claim by the taxpayer for a rebate in respect of the supply, certifying that tax under section 16 has been paid.

This section does not apply where

(1) the supply is a supply under section 20.1;

(2) the supply is a supply made by a small supplier who is not a registrant, in the course of a commercial activity, of a road vehicle, other than a motor vehicle acquired by a supply by way of retail sale, that must be registered under the Highway Safety Code following an application by the person;

(3) the supply is made following the exercise by the recipient of a right to acquire the motor vehicle, conferred on the recipient under an agreement in writing for the lease of the vehicle entered into with the supplier;

(4) the person would be entitled to a rebate of the tax payable in respect of the supply of the motor vehicle under section 351 or 352 if the person had paid tax under the first paragraph; or

(5) the person received the supply of a new motor vehicle so as to again make a supply of it by way of sale, otherwise than by way of gift, acquired by the person through a mandatary for the purpose of shipping it outside Québec and the vehicle was shipped outside Québec.

2001, c. 51, s. 306; 2004, c. 21, s. 539.

**473.2.** For the purposes of sections 473.3 to 473.9,

“cumulative amount” for a reporting period of a registrant means the total of

(1) the amount that would be the registrant’s net tax for the period if it were determined without reference to section 473.5 and if no input tax refund were claimed, and no amounts were deducted, in determining that net tax, and

(2) the amount required under section 473.5 to be added in determining the net tax for the period;

“designated reporting period” of a person means a reporting period of the person in respect of which a designation under section 473.3 is in effect, but does not include a reporting period in which the person ceases to be a registrant.

1995, c. 1, s. 338; 1995, c. 63, s. 492; 2015, c. 21, s. 781.

**473.3.** The Minister may, on the application of a registrant and by notice in writing, designate, as an eligible reporting period for the purposes of sections 473.2 to 473.9, a particular reporting period, other than a fiscal year, of the registrant specified in the registrant’s application and ending in a fiscal year of the registrant if

(1) the Minister is satisfied that it can reasonably be expected that the cumulative amount for the particular reporting period will not exceed \$1,000;

(2) the registrant’s application in respect of the particular reporting period is made in prescribed form, contains prescribed information and is filed with and as prescribed by the Minister before the beginning of the particular reporting period; and

(3) at the time the application is filed,

(a) no designation under this section of a reporting period of the registrant ending in the fiscal year has been revoked,

(b) all amounts required under a fiscal law within the meaning of the Tax Administration Act (chapter A-6.002) to be paid or remitted by the registrant before that time have been paid or remitted, and

(c) all returns required under this Title to be filed with the Minister before that time by the registrant have been filed.

1995, c. 1, s. 338; 2010, c. 31, s. 175.

**473.4.** Subject to sections 39, 39.2 and 61.1 of the Tax Administration Act (chapter A-6.002), a registrant is not required to file a return under section 468 for a designated reporting period of the registrant if the cumulative amount for the period does not exceed \$1,000.

1995, c. 1, s. 338; 2009, c. 15, s. 524; 2010, c. 31, s. 175.

**473.5.** Where the cumulative amount for a designated reporting period of a registrant does not exceed \$1,000, that amount shall be added in determining the registrant's net tax for the reporting period of the registrant immediately following the designated reporting period and, notwithstanding any other provision of this Title, shall not be included in determining the registrant's net tax for the designated reporting period.

1995, c. 1, s. 338.

**473.6.** The Minister may revoke a designation made under section 473.3 in respect of a reporting period of a registrant if

(1) the condition described in paragraph 1 of section 473.3 is no longer met in respect of the period; or

(2) the conditions described in paragraph 3 of section 473.3 would not be met if an application for such a designation were filed at the beginning of the period.

1995, c. 1, s. 338.

**473.7.** Where, under section 473.6, the Minister revokes a designation of a reporting period of a registrant, the Minister shall send a notice in writing of the revocation to the registrant.

1995, c. 1, s. 338.

**473.8.** All designations by the Minister under section 473.3 of a reporting period of a registrant which is subsequent to a particular designated reporting period of the registrant and which ends in the same fiscal year as the particular designated period are revoked where

(1) the registrant files, or is required to file, a return under section 468 for the designated reporting period; or

(2) the Minister revokes the designation of the designated reporting period.

1995, c. 1, s. 338.

**473.9.** For the purposes of this Title, except sections 473.2 to 473.8, any reference to the day on or before which a person is required to file a return shall, where the person is, because of section 473.4, not required to file the return, be read as a reference to the day on or before which the person would, but for that section, be required to file the return.

1995, c. 1, s. 338.

**474.** A registrant who engages in one or more commercial activities in separate divisions or branches may file with and as prescribed by the Minister an application, in prescribed form containing prescribed information, for authority to file separate returns under this chapter in respect of a division or branch specified in the application.

1991, c. 67, s. 474.

**475.** Where the Minister receives an application under section 474 in respect of a division or branch of a registrant and is satisfied that

(1) the branch or division can be separately identified by reference to the location thereof or the nature of the activities engaged in by it, and

(2) books of account, other records and accounting systems are maintained separately in respect of the branch or division,

the Minister may, in writing, authorize the registrant to file separate returns in relation to the specified branch or division, subject to such conditions as the Minister may at any time impose.

1991, c. 67, s. 475; 2000, c. 25, s. 30.

**476.** The Minister may, in writing, revoke an authorization granted under section 475 where

(1) the registrant fails to comply with any condition attached thereto or any provision of this Title;

(2) the Minister considers that the authorization is no longer required for the purposes for which it was originally granted, or for the purposes of this Title;

(3) the Minister is no longer satisfied that the requirements of paragraphs 1 and 2 of section 475 in respect of the registrant are met; or

(4) the registrant, in writing, requests the Minister to revoke the authorization.

1991, c. 67, s. 476.

**477.** Where under section 476 the Minister revokes an authorization, he shall send a notice in writing of the revocation to the registrant and shall specify therein the effective date thereof.

1991, c. 67, s. 477.

**477.1.** Notwithstanding sections 474 to 477, where a registrant obtains authorization under section 239 of Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) to file separate returns in relation to a division or branch in respect of which an application may be filed under sections 474 and 475, the following rules apply:

(1) the registrant is not required to file the application provided for in section 474;

(2) the authorization granted under section 239 of Part IX of the said Act, including any conditions to which the authorization is subject, is deemed to be an authorization granted under section 475;

(3) a notice of revocation issued under section 239 of Part IX of the said Act of the authorization obtained under that section is deemed to be a revocation issued under section 476 of the authorization granted under section 475 and the effective date of the notice is deemed to be the effective date of the revocation.

For the purposes of the first paragraph, the Minister may require that the registrant inform the Minister in prescribed form containing prescribed information and in the manner and within the time prescribed by the Minister of the authorization obtained under section 239 of Part IX of the said Act or of any revocation of

such authorization, or require that the registrant transmit to the Minister the authorization or notice of revocation issued pursuant to the said section 239.

This section applies, with the necessary modifications, to a person referred to in section 397 who is authorized to file an application under section 239 of Part IX of the said Act by reason of the application of subsection 11 of section 259 of the said Act.

1995, c. 63, s. 493; 1997, c. 85, s. 710.

## CHAPTER VIII.1

### TAX COLLECTION AND REMITTANCE — ELECTRONIC COMMERCE

2018, c. 18, s. 78; 2021, c. 18, s. 201.

## DIVISION I

### DEFINITIONS AND GENERAL RULES

2018, c. 18, s. 78.

**477.2.** For the purposes of this chapter,

“accommodation platform” means a digital platform through which a person facilitates the making of a supply of short-term accommodation situated in Québec by another person that is not registered under Division I of Chapter VIII;

“accommodation platform operator”, in respect of a supply of short-term accommodation made through an accommodation platform, means a person (other than the supplier or an excluded operator in respect of the supply) that

- (1) controls or sets the essential elements of the transaction between the supplier and the recipient;
- (2) if paragraph 1 does not apply to any person, is involved, directly or through arrangements with third parties, in collecting, receiving or charging the consideration for the supply and transmitting all or part of the consideration to the supplier; or
- (3) is a prescribed person;

“Canadian specified supplier” means a specified supplier that is registered under subdivision D of Division V of Part IX of the Excise Tax Act (R.S.C. 1985, c. E-15);

“designated qualifying corporeal movable property supply” means a supply made by way of sale of corporeal movable property that is, under the agreement for the supply, to be delivered in Québec to a specified Québec consumer, other than

- (1) an exempt or zero-rated supply;
- (2) a supply of corporeal movable property sent by mail or courier to the specified Québec consumer at an address in Québec from an address outside Canada by the supplier or by another person acting on behalf of the supplier, if the supplier maintains evidence satisfactory to the Minister that the property was so sent;
- (3) a supply that is deemed under section 327.9 to have been made outside Québec;
- (4) a qualifying corporeal movable property supply; and
- (5) a prescribed supply;

“designated supply” means a taxable supply of incorporeal movable property or a service made in Québec, other than

- (1) a supply that is made through a specified distribution platform and in respect of which a person registered under Division II of this chapter or Division I of Chapter VIII is a distribution platform operator;

(2) a supply of a service

(a) that is made to a person in connection with a supply of short-term accommodation made to the person, and

(b) the consideration for which represents a booking fee, administration fee or other similar charge;

(3) a supply of a service that is deemed under section 327.9 to have been made outside Québec; and

(4) a prescribed supply;

“digital platform” includes a website, an electronic portal, gateway, store or distribution platform or any other similar electronic interface but does not include

(1) an electronic interface that solely processes payments; or

(2) a prescribed platform or interface;

“distribution platform operator”, in respect of a supply of property or a service made through a specified distribution platform, means a person (other than the supplier or an excluded operator in respect of the supply) that

(1) controls or sets the essential elements of the transaction between the supplier and the recipient;

(2) if paragraph 1 does not apply to any person, is involved, directly or through arrangements with third parties, in collecting, receiving or charging the consideration for the supply and transmitting all or part of the consideration to the supplier; or

(3) is a prescribed person;

“excluded operator” means a person that, in respect of a supply of property or a service,

(1) meets the following conditions:

(a) the person does not set, directly or indirectly, any of the terms and conditions under which the supply is made,

(b) the person is not involved, directly or indirectly, in authorizing the charge to the recipient of the supply in respect of the payment of the consideration for the supply, and

(c) the person is not involved, directly or indirectly, in the ordering of the property or service, or in the delivery of the property or the rendering of the service;

(2) solely provides for the listing or advertising of the property or service or for the redirecting or transferring to a digital platform on which the property or service is offered;

(3) is solely a payment processor; or

(4) is a prescribed person;

“false statement” includes a statement that is misleading because of an omission from the statement;

“foreign specified supplier” means a specified supplier that is not resident in Canada, does not make supplies in the course of a business carried on in Canada and is not registered under subdivision D of Division V of Part IX of the Excise Tax Act;

“qualifying corporeal movable property supply” means a supply made by way of sale of corporeal movable property that is, under the agreement for the supply, to be delivered in Québec to the recipient, other than

(1) an exempt or zero-rated supply;

(2) a supply of corporeal movable property sent by mail or courier to the recipient at an address in Québec from an address outside Québec by the supplier or by another person acting on behalf of the supplier, if the supplier maintains evidence satisfactory to the Minister that the property was so sent;

(3) a supply that is deemed under section 327.9 to have been made outside Québec; and

(4) a prescribed supply;

“Québec accommodation related supply” means a taxable supply of a service

(1) that is made to a person in connection with a supply of short-term accommodation situated in Québec made to the person; and

(2) the consideration for which represents a booking fee, administration fee or other similar charge;

“specified distribution platform” means a digital platform through which a person facilitates the making of one or more of the following supplies:

(1) a designated supply by another person that is a Canadian specified supplier;

(2) a specified supply by another person that is a specified supplier;

(3) a qualifying corporeal movable property supply by another person that is not registered under Division I of Chapter VIII; or

(4) a designated qualifying corporeal movable property supply by a specified supplier;

“specified Québec consumer” means a recipient of a supply in respect of which the following conditions are met:

(1) the recipient has not provided to the supplier, or to a distribution platform operator in respect of the supply, evidence satisfactory to the Minister that the recipient is registered under Division I of Chapter VIII; and

(2) the usual place of residence of the recipient, determined in accordance with section 477.3, is situated in Québec;

“specified supplier” means a person not resident in Québec that does not make supplies in the course of a business carried on in Québec and that is not registered under Division I of Chapter VIII;

“specified supply” means a taxable supply of incorporeal movable property or a service, other than

(1) a supply of incorporeal movable property that

(a) may not be used in Québec,

(b) relates to an immovable situated outside Québec, or

(c) relates to corporeal movable property ordinarily situated outside Québec;

(2) a supply of a service that

(a) may only be consumed or used outside Québec,

(b) is in relation to an immovable situated outside Québec, or

(c) is rendered in connection with criminal, civil or administrative litigation that is brought outside Québec (other than a service rendered before the commencement of such litigation) or that is in the nature of an appeal from a decision resulting from such litigation;

(3) a supply of a service that is deemed under section 327.9 to have been made outside Québec;

(4) a supply of a service

(a) that is made to a person in connection with a supply of short-term accommodation made to the person, and

(b) the consideration for which represents a booking fee, administration fee or other similar charge; and

(5) a prescribed supply.

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2018, c. 18, s. 78; 2021, c. 18, s. 202.

**477.3.** To determine whether the usual place of residence of the recipient of a supply is situated in Québec, a person referred to in section 477.4.3 or 477.6 shall, in respect of the supply, have obtained in the ordinary course of the person's operations two or more pieces of information from among the following that reasonably support that conclusion:

- (1) the recipient's billing address;
- (2) the recipient's home address;
- (3) the recipient's business address;
- (4) the IP address of the device used by the recipient at the time the agreement relating to the supply is entered into or similar data obtained at that time through another geolocation method;
- (5) payment-related information in respect of the recipient or other information used by the payment system, such as the recipient's payment-related bank information or the billing address used by the bank;
- (6) the information from a subscriber identity module, or other similar module, used by the recipient;
- (7) the place at which a landline communication service is supplied to the recipient; or
- (8) any other relevant information specified by the Minister.

Where the person referred to in the first paragraph has obtained, in the ordinary course of the person's operations, two or more pieces of information from among those provided for in subparagraphs 1 to 8 of that paragraph in support of the conclusion that the usual place of residence of the recipient of a supply is situated in Québec and at least two other pieces of information from among those provided for in those subparagraphs in support of the conclusion that that usual place of residence is situated outside Québec, the person shall take into account the pieces of information that are, in the circumstances, reasonably considered to be more reliable in determining the place of residence.

Where the person referred to in the first paragraph cannot obtain two or more non-contradictory pieces of information to determine, in the ordinary course of the person's operations, the usual place of residence of the recipient of a supply, the Minister may allow an alternative method to be used.

Where the person referred to in the first paragraph has determined, in accordance with the first, second and third paragraphs, that the usual place of residence of the recipient of a supply is situated in Québec, the person has obtained in the ordinary course of the person's operations one or more addresses that are a home or business address of the recipient in Canada outside Québec and the person has not obtained in the ordinary course of the person's operations the same number or a greater number of addresses that are a home or business address of the recipient in Québec, the usual place of residence of the recipient is deemed, despite those paragraphs, to be situated outside Québec.

2018, c. 18, s. 78; 2021, c. 18, s. 203.

**477.4.** For the purposes of this Title and despite sections 22.15.2, 22.31, 22.32 and 23, the following rules apply:

- (1) a specified supply that is made by a person registered under Division II, other than a Canadian specified supplier, to a specified Québec consumer is deemed to be made in Québec; and
- (2) a Québec accommodation related supply that is made by a person registered under Division II to a recipient that has not provided to the person evidence satisfactory to the Minister that the recipient is registered under Division I of Chapter VIII is deemed to be made in Québec and, where that supply is a supply to which Chapter IV applies, the supply is deemed not to be a supply to which that chapter applies.

2018, c. 18, s. 78; 2021, c. 18, s. 203.



**477.4.1.** For the purposes of this Title and despite sections 22.15.2, 22.31, 22.32 and 23, where a person that is registered under Division I of Chapter VIII or carrying on a business in Québec makes a Québec accommodation related supply, the supply is deemed to be made in Québec and, where that supply is a supply to which Chapter IV applies, the supply is deemed not to be a supply to which that chapter applies.

2021, c. 18, s. 204.

**477.4.2.** For the purposes of this Title, where a particular person that is registered under Division II makes, with a registrant described in section 41.0.2, an election under section 41.0.1 in respect of a particular supply, the registrant is deemed not to have made a supply to the particular person of a service of acting as mandatary described in section 41.0.2 in respect of the particular supply.

2021, c. 18, s. 204.

## **DIVISION II**

### **REGISTRATION—SPECIFIED SYSTEM**

2018, c. 18, s. 78; 2021, c. 18, s. 205.

**477.4.3.** For the purposes of this division, the threshold amount of a particular person for a period is the total of all amounts each of which is an amount that is, or that could reasonably be expected to be, the value of the consideration for a supply that is, or that could reasonably be expected to be,

(1) where the particular person is a foreign specified supplier, a specified supply made during that period by the particular person to a specified Québec consumer (other than a zero-rated supply or a supply that is deemed to have been made by another person under paragraph 1 of section 477.5.1 or subparagraph *a* of paragraph 1 of section 477.5.2);

(2) where the particular person is a Canadian specified supplier, a designated supply made during that period by the particular person to a specified Québec consumer (other than a zero-rated supply or a supply made through a specified distribution platform);

(3) where the particular person is a Canadian specified supplier, the taxable supply of corporeal movable property made in Québec during that period by the particular person to a specified Québec consumer (other than a zero-rated supply or a supply that is deemed to have been made by another person under paragraph 1 of section 477.5.5);

(4) where the particular person is a specified supplier, a Québec accommodation related supply made during that period by the particular person to another person that is not registered under Division I of Chapter VIII;

(5) where the particular person is a distribution platform operator in respect of a specified supply (other than a zero-rated supply) made during that period through a specified distribution platform by a specified supplier to a specified Québec consumer, a specified supply (other than a zero-rated supply) that a specified supplier has made during that period through the specified distribution platform to a specified Québec consumer and in respect of which the particular person or any other person is a distribution platform operator;

(6) where the particular person is a distribution platform operator in respect of a designated qualifying corporeal movable property supply or a qualifying corporeal movable property supply made during that period through a specified distribution platform by a specified supplier to a specified Québec consumer, a designated qualifying corporeal movable property supply or a qualifying corporeal movable property supply that a specified supplier has made during that period through the specified distribution platform to a specified Québec consumer and in respect of which the particular person or any other person is a distribution platform operator; or

(7) where the particular person is an accommodation platform operator in respect of an accommodation supply—being a taxable supply of short-term accommodation situated in Québec made by a person that is not registered under Division I of Chapter VIII to a recipient that is not registered under that division—that is made during that period through an accommodation platform, an accommodation supply that is made during that period through the accommodation platform and in respect of which the particular person or any other person is an accommodation platform operator.

For the purposes of subparagraphs 2 and 3 of the first paragraph, this Title is to be read without reference to section 23.

Where the consideration for a supply is expressed in foreign currency, the person referred to in the first paragraph shall, for the purpose of computing the total described in that paragraph and despite section 56, use a fair and reasonable conversion method to convert the value of the consideration into Canadian currency, provided the method is used consistently by the person to determine the total described in that paragraph.

2021, c. 18, s. 206.

**477.5.** Every person (other than a registrant or a person that carries on a business in Québec) that is a specified supplier at any time, a distribution platform operator in respect of a supply made at any time or an accommodation platform operator in respect of a supply made at any time is required at that time to be registered under this division if the threshold amount of the person for any period of 12 months that includes that time (other than a period that begins before 1 July 2021) exceeds \$30,000.

An application for registration must be filed with the Minister by a person on or before the day from which the person is required to be registered.

The Minister may register the person applying for registration and, for that purpose, the Minister, or any person the Minister authorizes, shall assign a registration number to the person and notify the person of the registration number and the effective date of the registration.

For the purposes of this chapter, sections 415.0.4 to 415.0.6 apply, with the necessary modifications.

Where a person that is registered under this division becomes registered under Division I of Chapter VIII on a particular day, the person ceases to be registered under this division effective on the particular day.

The Minister may, after giving a person that is registered under this division reasonable written notice, cancel the registration of the person if the Minister is satisfied that the registration is not required for the purposes of this division.

On request from a person, the Minister may cancel the registration of the person under this division if the Minister is satisfied that the registration is not required for the purposes of this division.

Where the Minister cancels the registration of a person under the sixth or seventh paragraph, the Minister shall notify the person of the cancellation and its effective date.

2018, c. 18, s. 78; 2019, c. 14, s. 555; 2021, c. 18, s. 207.

## **DIVISION II.1**

### **PRESUMPTIONS—SUPPLIERS**

2021, c. 18, s. 208.

**477.5.1.** Where a specified supply is made through a specified distribution platform by a specified supplier to a specified Québec consumer and where another person registered under Division II is a

distribution platform operator in respect of the specified supply, then, for the purposes of this Title (except for sections 407 to 412 and 477.2 and subparagraph 5 of the first paragraph of section 477.4.3), the following rules apply:

(1) the specified supply is deemed to have been made by the other person and not by the specified supplier; and

(2) the other person is deemed not to have made a supply of services relating to the specified supply to the specified supplier.

2021, c. 18, s. 208.

**477.5.2.** Where a specified supply is made through a specified distribution platform by a specified supplier, where another person that is registered under Division I of Chapter VIII, or that carries on a business in Québec, is a distribution platform operator in respect of the specified supply and where, but for section 23, the specified supply would have been made in Québec, the following rules apply:

(1) where the other person is registered under Division I of Chapter VIII, for the purposes of this Title (except for sections 407 to 412 and 477.2 and subparagraph 5 of the first paragraph of section 477.4.3),

(a) the specified supply is deemed to have been made by the other person and not by the specified supplier; and

(b) the other person is deemed not to have made a supply of services relating to the specified supply to the specified supplier; and

(2) in any other case, for the purposes of sections 294 to 297, 462 and 462.1, the specified supply is deemed to have been made by the other person and not by the specified supplier.

2021, c. 18, s. 208.

**477.5.3.** Where a particular supply that is a taxable supply of short-term accommodation situated in Québec is made through an accommodation platform by a particular person that is not registered under Division I of Chapter VIII, where another person that is registered under Division II is an accommodation platform operator in respect of the particular supply and where the recipient has not provided to the other person evidence satisfactory to the Minister that the recipient is registered under Division I of Chapter VIII, then, for the purposes of this Title (except for sections 294 to 297, 407 to 412, 462, 462.1 and 477.2 and subparagraph 7 of the first paragraph of section 477.4.3), the following rules apply:

(1) the particular supply is deemed to have been made by the other person and not by the particular person; and

(2) the other person is deemed not to have made a supply of services relating to the particular supply to the particular person.

2021, c. 18, s. 208.

**477.5.4.** Where a particular supply that is a taxable supply of short-term accommodation situated in Québec is made through an accommodation platform by a particular person that is not registered under Division I of Chapter VIII and where another person that is registered under that division, or that carries on a business in Québec, is an accommodation platform operator in respect of the particular supply, then, for the purposes of this Title (except for sections 294 to 297, 462 and 462.1, in respect of the particular person, and except for sections 407 to 412 and 477.2 and subparagraph 7 of the first paragraph of section 477.4.3), the following rules apply:

(1) the particular supply is deemed to have been made by the other person and not by the particular person; and

(2) the other person is deemed not to have made a supply of services relating to the particular supply to the particular person.

2021, c. 18, s. 208.

**477.5.5.** Where a designated qualifying corporeal movable property supply or a qualifying corporeal movable property supply is made through a specified distribution platform by a specified supplier to a specified Québec consumer and where another person that is registered under Division II is a distribution platform operator in respect of the supply of the property, then, for the purposes of this Title (except for sections 407 to 412 and 477.2 and subparagraph 6 of the first paragraph of section 477.4.3), the following rules apply:

(1) the supply of the property is deemed to have been made by the other person and not by the specified supplier;

(2) sections 22.7, 22.9 and 23 do not apply in respect of the supply of the property and the supply is deemed to have been made in Québec; and

(3) the other person is deemed not to have made a supply of services relating to the supply of the property to the specified supplier.

2021, c. 18, s. 208.

**477.5.6.** Where a particular person that is deemed not to have made a supply under paragraph 1 of any of sections 477.5.1 and 477.5.3 to 477.5.5 or subparagraph *a* of paragraph 1 of section 477.5.2 made a false statement to another person that is deemed to have made the supply under any of those paragraphs 1 or that subparagraph *a*, as the case may be, and where the false statement is relevant to the determination of whether the other person is required to collect the tax payable under section 16 in respect of the supply or the determination of the amount of that tax that the other person is required to collect, the particular person and the other person are solidarily liable for all obligations under this Title in respect of the supply that arise, as the case may be, because of

(1) the tax in respect of the supply becoming collectible by the other person; or

(2) a failure to account for or pay, in the manner and within the time specified in this Title, an amount of net tax or specified net tax of the other person, or an amount that was paid to the other person or applied on account of a refund or rebate to which the other person was not entitled or that exceeds the refund or rebate to which the other person was entitled, that is reasonably attributable to the supply.

Where the other person did not know and could not reasonably be expected to have known that the particular person made a false statement, where the other person relied in good faith on the false statement and where, because of such reliance, the other person did not charge, collect or remit the amount of tax in respect of the supply that the other person was required to charge, collect or remit, the Minister is not to assess the other person under section 25 of the Tax Administration Act (chapter A-6.002) for obligations provided for in this Title in respect of the supply in excess of the obligations in respect of the supply that arise because of the other person having charged, collected or remitted an amount of tax in respect of the supply.

2021, c. 18, s. 208; 2022, c. 23, s. 214.

## DIVISION III

### COLLECTION—SPECIFIED SYSTEM

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2018, c. 18, s. 78; 2021, c. 18, s. 209.

**477.6.** A foreign specified supplier that is registered under Division II and that makes a specified supply in Québec to a specified Québec consumer shall, as a mandatary of the Minister, collect the tax payable by the specified Québec consumer under section 16 in respect of the supply.

A Canadian specified supplier that is registered under Division II and that makes a designated supply or a taxable supply of corporeal movable property in Québec to a specified Québec consumer shall, as a mandatary of the Minister, collect the tax payable by the specified Québec consumer under section 16 in respect of the supply.

A person registered under Division II that is deemed, under paragraph 1 of sections 477.4 and 477.5.1, to make a specified supply in Québec to a specified Québec consumer or that is deemed, under paragraphs 1 and 2 of section 477.5.5, to make a qualifying corporeal movable property supply or a designated qualifying corporeal movable property supply in Québec to a specified Québec consumer shall, as a mandatary of the Minister, collect the tax payable by the specified Québec consumer under section 16 in respect of the supply.

A person registered under Division II that is deemed, under paragraph 1 of section 477.5.3, to make a taxable supply of short-term accommodation situated in Québec shall, as a mandatary of the Minister, collect the tax payable by the recipient under section 16 in respect of the supply.

A specified supplier registered under Division II that makes a Québec accommodation related supply in Québec to a recipient that has not provided to the supplier evidence satisfactory to the Minister that the recipient is registered under Division I of Chapter VIII shall, as a mandatary of the Minister, collect the tax payable by the recipient under section 16 in respect of the supply.

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2018, c. 18, s. 78; 2021, c. 18, s. 210.

**477.6.1.** A supplier to which the first or second paragraph of section 477.6 applies or a person to which the third paragraph of that section applies is not required to collect the tax payable by a specified Québec consumer under section 16 in respect of a taxable supply of an emission allowance.

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2021, c. 14, s. 237; 2021, c. 18, s. 211.

**477.7.** A person who is required under section 477.6 to collect tax in respect of a supply shall indicate to the recipient, in the invoice or receipt issued to, or in an agreement entered into with, the recipient,

(1) the consideration paid or payable by the recipient for the supply and the tax payable in respect of the supply in a manner that clearly indicates the amount of the tax; or

(2) that the amount paid or payable by the recipient for the supply includes the tax payable in respect of the supply.

Where the person indicates to the recipient the rate of the tax, the person shall indicate it apart from the rate of any other tax.

In addition, the tax must be referred to by its name, an abbreviation of its name or a similar designation.

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2018, c. 18, s. 78; 2019, c. 14, s. 556.

## **DIVISION IV**

### **REPORTING AND REMITTANCE—SPECIFIED SYSTEM**

2018, c. 18, s. 78; 2021, c. 18, s. 212.

#### **§ 1. — *Reporting period***

2018, c. 18, s. 78.

**477.8.** For the purposes of this chapter and subject to section 477.9, the reporting period of a person registered under Division II at a particular time corresponds to the calendar quarter that includes that time.

2018, c. 18, s. 78; 2021, c. 18, s. 213.

**477.9.** Where a person becomes registered under Division II on a particular day, the following periods are deemed to be separate reporting periods of the person:

(1) the period beginning on the first day of the reporting period of the person, otherwise determined under subdivision 1 of Division IV of Chapter VIII, that includes the particular day and ending on the day immediately preceding the particular day; and

(2) the period beginning on the particular day and ending on the last day of the calendar quarter that includes the particular day.

Where a person ceases to be registered under Division II on a particular day, the following periods are deemed to be separate reporting periods of the person:

(1) the period beginning on the first day of the calendar quarter that includes the particular day and ending on the day immediately preceding the particular day; and

(2) the period beginning on the particular day and ending on the last day of the reporting period of the person, otherwise determined under subdivision 1 of Division IV of Chapter VIII, that includes the particular day.

2018, c. 18, s. 78; 2021, c. 18, s. 213.

#### **§ 2. — *Filing of the return***

2018, c. 18, s. 78.

**477.10.** Every person registered under Division II shall file a return for each of the person's reporting periods within the month following the end of the reporting period.

2018, c. 18, s. 78.

#### **§ 3. — *Determination of the specified net tax***

2018, c. 18, s. 78.

**477.11.** The specified net tax for a particular reporting period of a person registered under Division II is the positive or negative amount determined by the formula

A - B.

For the purposes of the formula in the first paragraph,

(1) A is the total of

(a) all amounts that became collectible and all other amounts collected by the person in the particular reporting period as or on account of tax under section 16, and

(b) all amounts that would be required to be added under section 446 in determining the person's specified net tax for the particular reporting period if that section were read as if "net tax" were replaced by "specified net tax"; and

(2) B is the total of all amounts each of which is an amount that may be deducted by the person under section 477.16 in determining the person's specified net tax for the particular reporting period, or that could be so deducted under section 444 or 449 if those sections and section 444.1 were read as if "net tax" were replaced by "specified net tax" and if sections 444.1 and 446.1 were read as if "this chapter" were replaced by "Chapter VIII.1", and that is claimed by the person in the return filed under this chapter for that period.

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2018, c. 18, s. 78.

**477.12.** An amount must not be included in the total described in subparagraph 1 of the second paragraph of section 477.11 for a reporting period of a person to the extent that that amount was included in that total for a preceding reporting period of the person.

An amount must not be included in the total described in subparagraph 2 of the second paragraph of section 477.11 for a reporting period of a person to the extent that that amount was included as a deduction in that total for a preceding reporting period of the person.

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2018, c. 18, s. 78.

#### **§ 4. — *Tax remittance***

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2018, c. 18, s. 78.

**477.13.** A person who is required to file a return under section 477.10 shall determine in that return the person's specified net tax for the reporting period.

If the specified net tax for a reporting period of a person is a positive amount, the person shall remit that amount to the Minister, in the manner determined by the Minister, on or before the day on which the person is required to file the return for that period.

If the specified net tax for a reporting period of a person is a negative amount, the person may, in the return for that period, claim that amount as a specified net tax refund. That amount is payable to the person by the Minister.

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2018, c. 18, s. 78.

**477.14.** The Minister shall pay, with all due dispatch, the specified net tax refund that is payable to a person who claims the refund under the third paragraph of section 477.13.

Where the person has elected, under the second paragraph of section 477.15, to determine the amount of the person's specified net tax in a foreign currency, the Minister shall make the payment in that currency.

However, the Minister is required to pay the refund to the person only if the Minister considers that all the information that was to be given by the person on the person's application for registration pursuant to this chapter has been provided and is accurate.

2018, c. 18, s. 78; 2019, c. 14, s. 557.

**477.15.** Where in a reporting period a person collects, under section 477.6, the tax payable in respect of a supply, the consideration for the supply is expressed in foreign currency and the person does not make the election under the second paragraph for the reporting period, the following rules apply:

(1) section 56 does not apply in respect of the consideration for the supply; and

(2) for the purpose of determining the amount of the person's specified net tax for the reporting period under section 477.11, the value of the consideration for the supply must be converted into Canadian currency using the exchange rate applicable on the last day of the reporting period or any other conversion method acceptable to the Minister.

A person who is required, under the first paragraph of section 477.13, to determine the amount of the person's specified net tax for a reporting period may, despite section 56, elect to determine the amount, in the return for that reporting period, in a prescribed foreign currency. In such a case, the amount to be remitted to the Minister by the person, if applicable, under the second paragraph of section 477.13 for the reporting period must be remitted in that same prescribed foreign currency.

Where a person elects under the second paragraph to determine the amount of the person's specified net tax for a reporting period in a prescribed foreign currency and the value of the consideration for the supply is expressed in another foreign currency, the value of the consideration must be converted into the prescribed foreign currency using the exchange rate applicable on the last day of the reporting period or any other conversion method acceptable to the Minister.

For the purposes of this section, the conversion method used by a person for the purpose of determining the amount of the person's specified net tax for a reporting period must be used consistently for at least 24 months.

2018, c. 18, s. 78; 2019, c. 14, s. 558.

### *§ 5. — Adjustment or refund*

2018, c. 18, s. 78.

**477.16.** Despite section 447, a person registered under Division II, or a registrant who has made the election under section 41.0.1 with such a person, who, in a reporting period, has charged to, or collected from, another person registered under Division I of Chapter VIII an amount as or on account of tax under section 16 that exceeds the tax the person or registrant was required to collect from the other person shall, within two years after the day on which the amount was charged or collected,

(1) adjust the amount of tax charged, if the excess amount was charged but not collected; or

(2) refund or credit the excess amount to the other person, if it was collected.

Where the person or registrant has adjusted, refunded or credited an amount in favour of, or to, the other person in accordance with the first paragraph, the following rules apply:

(1) the person or registrant shall, within a reasonable time, issue to the other person a credit note for the amount of the adjustment, refund or credit; and

(2) the amount may be deducted in determining the person's specified net tax or the registrant's net tax, as the case may be, for the person's or the registrant's reporting period in which the credit note is issued to the



other person, to the extent that the amount has been included in determining the person's specified net tax or the registrant's net tax for the reporting period, or a preceding reporting period, of the person or registrant.

Where the person or registrant has charged to, or collected from, the other person an amount of tax only because the other person did not at that time provide evidence satisfactory to the Minister of that other person's registration under Division I of Chapter VIII and such evidence is provided later, the amount is deemed, for the purposes of the first paragraph, to exceed the tax the person or registrant was required to collect.

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2018, c. 18, s. 78; 2019, c. 14, s. 559; 2024, c. 11, s. 181.

**477.17.** Subject to the third and fourth paragraphs, a person that is resident in Canada and is the recipient of a specified supply made by a foreign specified supplier is entitled to a rebate of the tax paid by the person under section 16 in respect of the supply equal to the amount determined by the formula

$A \times B$ .

For the purposes of the formula in the first paragraph,

(1) A is the amount of the tax; and

(2) B is the extent, expressed as a percentage, to which the incorporeal movable property or service in respect of which the supply is made is acquired by the person for consumption, use or supply in a participating province within the meaning of subsection 1 of section 123 of the Excise Tax Act (R.S.C. 1985, c. E-15).

No person is entitled to a rebate under the first paragraph in respect of a particular supply unless the person has paid tax under section 218.1 of the Excise Tax Act in respect of the particular supply and submits to the Minister evidence of the payment of that tax that is satisfactory to the Minister.

However, no rebate provided for in the first paragraph is paid to a person that, at the time that tax under section 16 in respect of the particular supply was paid, was a listed financial institution described in paragraph 6 or 9 of the definition of "listed financial institution" in section 1 or a selected listed financial institution.

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2018, c. 18, s. 78; 2021, c. 18, s. 214.

**477.18.** No rebate provided for in section 353.0.3 is paid to a person who has paid tax under section 16 in respect of a supply referred to in the first paragraph of section 477.17.

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2018, c. 18, s. 78.

**477.18.1.** No amount of an input tax refund, rebate, refund or remission under this or any other Act of the Parliament of Québec shall be credited, paid or granted to the recipient of a supply to the extent that it is reasonable to consider that the amount is determined, directly or indirectly, in relation to an amount that is collected as or on account of tax or in relation to an amount of tax that is required to be collected in respect of the supply by a particular person registered under Division II.

The first paragraph does not apply

(1) in respect of an amount that the recipient may claim as a rebate under subdivision 5 of Division I of Chapter VII if the recipient is not registered under Division I of Chapter VIII, as a rebate under section 400 or as a refund under section 21 of the Tax Administration Act (chapter A-6.002);

(2) in respect of an amount that is adjusted, refunded or credited by the particular person under any of sections 447, 448 and 477.16; and

(3) for prescribed purposes.

2021, c. 18, s. 215.

## **DIVISION IV.1**

### **CORPOREAL MOVABLE PROPERTY**

2021, c. 18, s. 215.

**477.18.2.** In this division, “specified recipient”, in respect of a supply of property, means a person (other than a person not resident in Québec that is not a consumer of the property) that is the recipient of the supply and that is not registered under Division I of Chapter VIII.

2021, c. 18, s. 215.

**477.18.3.** Every person that is not resident in Québec and does not make supplies at any time in the course of a business carried on in Québec, or that is a distribution platform operator in respect of a supply made at any time, is required at that time to be registered under Division I of Chapter VIII if, for any period of 12 months that includes that time (other than a period that begins before 1 July 2021), the amount determined by the following formula is greater than \$30,000:

A + B.

For the purposes of the formula in the first paragraph,

(1) A is the total of all amounts, each of which is an amount that is, or that could reasonably be expected to be, the value of the consideration for a taxable supply that is, or that could reasonably be expected to be, a qualifying corporeal movable property supply made by the person during that period to a specified recipient (other than a supply deemed to have been made by the person under subparagraph *a* of subparagraph 1 of the first paragraph of section 477.18.4); and

(2) B is

(a) where the person is a distribution platform operator in respect of a qualifying corporeal movable property supply made during that period through a specified distribution platform, the total of all amounts, each of which is an amount that is, or that could reasonably be expected to be, the value of the consideration for a supply that is, or that could reasonably be expected to be, a qualifying corporeal movable property supply made during that period through the specified distribution platform to a specified recipient and in respect of which the person or any other person is a distribution platform operator, and

(b) in any other case, zero.

2021, c. 18, s. 215.

**477.18.4.** Where a particular supply that is a qualifying corporeal movable property supply or a designated qualifying corporeal movable property supply is made through a specified distribution platform by a particular person that is not registered under Division I of Chapter VIII and where another person that is registered under that division, or is carrying on a business in Québec, is a distribution platform operator in respect of the particular supply, the following rules apply:

(1) for the purposes of this Title (except for sections 294 to 297, 462 and 462.1, in respect of the particular person, and except for sections 407 to 412 and 477.2 and subparagraph *a* of subparagraph 2 of the second paragraph of section 477.18.3),

(a) the particular supply is deemed to have been made by the other person and not by the particular person, and

(b) the particular supply is deemed to be a taxable supply;

(2) for the purposes of this Title (except for sections 327.1 to 327.7), the other person is deemed not to have made a supply of services relating to the particular supply to the particular person; and

(3) where the other person is registered under Division I of Chapter VIII, where the particular person has paid tax under section 17 in respect of the bringing into Québec of the corporeal movable property, where no person is entitled to claim an input tax refund or a rebate under this Title in respect of the tax in respect of the bringing into Québec of the property, where no person is deemed under section 327.7 to have paid tax in respect of a supply of the corporeal movable property equal to the tax in respect of the bringing into Québec of the property and where the particular person provides to the other person evidence satisfactory to the Minister that the tax in respect of the bringing into Québec of the property has been paid,

(a) for the purpose of determining an input tax refund of the other person, the other person is deemed

i. to have paid, at the time the particular person paid the tax in respect of the bringing into Québec of the property, tax in respect of a supply of the corporeal movable property made to the other person equal to the tax in respect of the bringing into Québec of the property, and

ii. to have acquired the corporeal movable property for use exclusively in its commercial activities, and

(b) no portion of the tax in respect of the bringing into Québec of the property that has been paid by the particular person shall be rebated, refunded or remitted to the particular person, or shall otherwise be recovered by the particular person, under this or any other Act of the Parliament of Québec.

For the purposes of the first paragraph, the definition of “designated qualifying corporeal movable property supply” in section 477.2 is to be read as if all occurrences of “specified Québec consumer” were replaced by “recipient”, with the necessary modifications.

2021, c. 18, s. 215.

**477.18.5.** Where a particular person that is deemed not to have made a supply under subparagraph *a* of subparagraph 1 of the first paragraph of section 477.18.4 made a false statement to another person that is deemed to have made the supply under that subparagraph *a* and where the false statement is relevant to the determination of whether the other person is required to collect the tax payable under section 16 in respect of the supply or the determination of the amount of that tax that the other person is required to collect, the particular person and the other person are solidarily liable for all obligations under this Title in respect of the supply that arise, as the case may be, because of

(1) the tax in respect of the supply becoming collectible by the other person; or

(2) a failure to account for or pay, in the manner and within the time specified in this Title, an amount of net tax of the other person, or an amount that was paid to the other person or applied on account of a refund or rebate to which the other person was not entitled or that exceeds the refund or rebate to which the other person was entitled, that is reasonably attributable to the supply.

Where a particular person provides to another person evidence that tax under section 17 has been paid in respect of the bringing into Québec of corporeal movable property, where the particular person made a false statement to the other person that is relevant to the determination of whether subparagraph 3 of the first paragraph of section 477.18.4 is applicable in respect of the bringing into Québec of the property and where

the other person claimed an input tax refund (in this section referred to as the “non-allowable input tax refund”) to which the other person was not entitled but would have been entitled if that subparagraph 3 were applicable in respect of the bringing into Québec of the property, the particular person and the other person are solidarily liable for all obligations provided for in this Title that arise because of the other person having claimed the non-allowable input tax refund.

Where the other person did not know and could not reasonably be expected to have known that the particular person made a false statement, where the other person relied in good faith on the false statement and where, because of such reliance, the other person either did not charge, collect or remit the amount of tax in respect of the supply that the other person was required to charge, collect or remit, or claimed the non-allowable input tax refund, the Minister is not to assess the other person under section 25 of the Tax Administration Act (chapter A-6.002) for

(1) obligations provided for in this Title in respect of the supply in excess of the obligations that arise because of the other person having charged, collected or remitted an amount of tax in respect of the supply; or

(2) obligations provided for in this Title that arise because of the other person having claimed the non-allowable input tax refund.

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2021, c. 18, s. 215; 2022, c. 23, s. 215.

**477.18.6.** A particular person (other than a prescribed person) that in the course of a business makes one or more particular supplies of a service of storing in Québec corporeal movable property (other than a service that is incidental to the supply of a freight transportation service, as defined in section 193) offered for sale by another person not resident in Québec shall

(1) notify the Minister of this fact, by filing the information required by the Minister in the manner determined by the Minister, on or before

(a) 1 January 2022, where the particular person makes those particular supplies in the course of a business carried on as of 1 July 2021, or, in any other case, the last day of the six-month period that follows the day on which the particular person last began making those particular supplies in the course of a business, or

(b) any later day that the Minister determines; and

(2) in respect of those particular supplies, maintain records containing information determined by the Minister.

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2021, c. 18, s. 215.

## **DIVISION IV.2**

### **INFORMATION RETURNS**

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2021, c. 18, s. 215.

**477.18.7.** A person (other than a prescribed person) that is a registrant at any time in a calendar year and that is a distribution platform operator in respect of a qualifying corporeal movable property supply or a designated qualifying corporeal movable property supply made in the calendar year shall file with the Minister an information return for the calendar year, in the prescribed form containing prescribed information, before 1 July of the following calendar year.

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2021, c. 18, s. 215; 2024, c. 41, s. 215.

**477.18.8.** A person (other than a prescribed person) that, at any time in a calendar year, is registered or required to be registered under Division II, or is a registrant, and that is an accommodation platform operator

in respect of a supply of short-term accommodation situated in Québec made in the calendar year shall file with the Minister an information return for the calendar year, in the prescribed form containing prescribed information, before 1 July of the following calendar year.

2021, c. 18, s. 215; 2024, c. 41, s. 215.

### **DIVISION V**

#### **PROHIBITION AND PENALTY**

2018, c. 18, s. 78; 2021, c. 18, s. 216.

**477.18.9.** No person shall, in respect of a supply of property or a service made to a particular person that is a consumer of the property or service, provide to another person that is registered under Division II evidence that the particular person is registered under Division I of Chapter VIII.

2021, c. 18, s. 217.

**477.19.** The recipient of a supply of property or a service that evades or attempts to evade the payment or collection of tax under section 16 in respect of the supply by providing false information to a person referred to in section 477.6 or, if the recipient is a consumer of the property or service, by providing to that person evidence that the recipient is registered under Division I of Chapter VIII shall incur a penalty equal to the greater of \$250 and 50% of the amount the payment or collection of which the recipient evaded or attempted to evade.

2018, c. 18, s. 78; 2021, c. 18, s. 218.

### **CHAPTER IX**

#### **ANTI-AVOIDANCE RULE**

**478.** For the purposes of this chapter,

“tax benefit” means a reduction, an avoidance or a deferral of tax or other amount payable under this Title or an increase in a refund or rebate of tax or any other amount under this Title;

“tax consequences” to a person means the amount of tax, net tax, input tax refund, rebate under Division I of Chapter VII or any other amount payable by, or refundable to, the person under this Title, or any other amount that is relevant to the purposes of computing that amount;

“transaction” includes an arrangement or event.

1991, c. 67, s. 478.

**479.** Where a transaction is an avoidance transaction, the tax consequences to a person shall be determined as is reasonable in the circumstances in order to deny a tax benefit that, but for this chapter, would result, directly or indirectly, from that transaction or from a series of transactions that include that transaction.

1991, c. 67, s. 479.

**480.** An avoidance transaction means any transaction that, but for this chapter, would result, directly or indirectly, in a tax benefit, or that is part of a series of transactions, which series, but for this chapter, would result, directly or indirectly, in a tax benefit, unless the transaction may reasonably be considered, in either case, to have been undertaken or arranged primarily for *bona fide* purposes other than to obtain the tax benefit.

1991, c. 67, s. 480; 2007, c. 12, s. 339.

**481.** Section 479 applies to a transaction only if it may reasonably be considered that

(1) but for this chapter, the transaction would directly or indirectly result in an abuse in the application of the provisions of one or more of

(a) this Title,

(b) the Regulation respecting the Québec sales tax (chapter T-0.1, r. 2), as regards the provisions relating to the application of this Title, or

(c) any other legislative or regulatory provision that is relevant for computing the tax or another amount payable by a person or refundable to a person under this Title, or for determining an amount that is to be taken into account in that computation; or

(2) the transaction would directly or indirectly result in an abuse in the application of the provisions referred to in paragraph 1, other than this chapter, read as a whole.

1991, c. 67, s. 481; 2007, c. 12, s. 340.

**482.** Without restricting the generality of section 479 and despite any other legislative or regulatory provision, in determining the tax consequences to a person as is reasonable in the circumstances in order to deny a tax benefit that would, but for this chapter, result, directly or indirectly, from an avoidance transaction,

(1) any input tax refund, deduction or exclusion in computing tax or net tax payable may be allowed or disallowed in whole or in part;

(2) all or part of any refund, deduction or exclusion referred to in paragraph 1 may be allocated to any person;

(3) the nature of any payment or other amount may be recharacterized; and

(4) the tax effects that would otherwise result from the application of other provisions of this Title may be ignored.

1991, c. 67, s. 482; 2007, c. 12, s. 341.

**483.** Where a notice of assessment involving the application of section 479 with respect to a transaction has been sent to a person, any person, other than a person to whom such a notice has been sent, is entitled, within 180 days after the day of sending of the notice, to request in writing that the Minister make an assessment applying section 479 with respect to that transaction.

However, where a person making such a request was in fact unable to act or to mandate another person to act on his behalf within the time prescribed and where no more than one year has elapsed after the day of sending of the notice, the person may apply to a judge of the Court of Québec for an extension which shall not exceed 15 days after the date of the judgment granting the extension.

1991, c. 67, s. 483; 1997, c. 3, s. 130; 2004, c. 4, s. 56.

**484.** Notwithstanding any other provision of this Title, the tax consequences to any person following the application of this chapter shall only be determined through a notice of assessment involving the application of this chapter.

1991, c. 67, s. 484.

**485.** On receipt of a request made by a person under section 483, the Minister shall, with all due dispatch, consider the request and, notwithstanding the second paragraph of section 25 of the Tax Administration Act (chapter A-6.002), make an assessment with respect to the person.

However, an assessment may be made under this section only to the extent that it may reasonably be regarded as relating to the transaction referred to in section 483.

1991, c. 67, s. 485; 1995, c. 63, s. 494; 2010, c. 31, s. 175.

## CHAPTER X

### PENAL PROVISION

1995, c. 1, s. 339.

**485.1.** Every person who contravenes a regulatory provision made under subparagraph 22 of the first paragraph of section 677, the violation of which is an offence under a regulatory provision made under subparagraph 60 of that paragraph, is liable to a fine of not less than \$500 nor more than \$2,000 and, in the case of a second offence within five years, to a fine of not less than \$2,000 nor more than \$5,000 and, for a subsequent offence within that time, to a fine of not less than \$5,000 nor more than \$10,000.

1995, c. 1, s. 339; 2006, c. 7, s. 14.

**485.2.** Where an offence to a regulatory provision referred to in section 485.1 has been committed, any person entrusted with the enforcement of this Act may draw up an offence report.

In any proceedings instituted under this Act, the offence report, signed by the person referred to in the first paragraph, shall be accepted, in the absence of proof to the contrary, as proof of the facts ascertained by, and of the authority of, that person, without further proof of his appointment or of his signature.

1995, c. 1, s. 339; 1997, c. 3, s. 131.

**485.3.** Every person who contravenes any of sections 425, 425.1 and 425.1.1 is guilty of an offence and liable to a fine of not less than \$200 nor more than \$5,000.

2002, c. 46, s. 31; 2010, c. 5, s. 245.

## TITLE II

### TAX ON ALCOHOLIC BEVERAGES

## CHAPTER I

### DEFINITIONS

**486.** For the purposes of this Title and the regulations made thereunder, unless the context indicates a different meaning,

“beer” has the meaning assigned by the Act respecting offences relating to alcoholic beverages (chapter I-8.1);

“computing solution” means the computer system determined by the Minister for the purposes of the program for administering the consumption tax exemption for First Nations;

“consumption on the premises” means, as the case may be,

(1) the use or consumption of an alcoholic beverage in an establishment for which a person is required to hold one of the following permits:

(a) a permit authorizing the sale of alcoholic beverages for consumption on the premises, other than an event permit, issued under the Act respecting liquor permits (chapter P-9.1),

(b) an event permit authorizing the sale of alcoholic beverages for consumption on the premises issued under the Act respecting liquor permits, unless the alcoholic beverages are destined to be served free of charge,

(c) a permit referred to in section 2.0.1 of the Act respecting offences relating to alcoholic beverages, which corresponds to a permit provided for in subparagraph *a* or *b*,

(d) a small-scale production permit issued under the Act respecting the Société des alcools du Québec (chapter S-13), or

(e) a brewer's permit issued under the Act respecting the Société des alcools du Québec; or

(2) the use or consumption of an alcoholic beverage with food for takeout or delivery, sold as an accompaniment to food prepared by a person required to hold one of the following permits:

(a) a restaurant permit issued under the Act respecting liquor permits, or

(b) a permit referred to in section 2.0.1 of the Act respecting offences relating to alcoholic beverages, which corresponds to the permit provided for in subparagraph *a*;

“First Nations member” means an Indian within the meaning of the Indian Act (R.S.C. 1985, c. I-5);

“person” has the meaning assigned by section 1;

“program for administering the consumption tax exemption for First Nations” means the program under which the sale of alcoholic beverages to a First Nations member by a vendor is exempt, in the circumstances described in section 492.1, from collection of the specific tax provided for in section 487;

“reporting period” of a person is the reporting period of the person for the purposes of Title I or the reporting period of the person specified under section 499.4;

“reserve” has the meaning assigned by the regulations made by the Government for the purposes of section 10.2 of the Fuel Tax Act (chapter T-1);

“retail sale” means any sale for purposes other than exclusively of resale;

“vendor” means any person who makes a retail sale of an alcoholic beverage in Québec.

1991, c. 67, s. 486; 1999, c. 83, s. 318; 2005, c. 1, s. 358; 2015, c. 21, s. 782; 2024, c. 11, s. 182.

## CHAPTER II

### SPECIFIC TAX

**487.** Every person shall, at the time of making a purchase at a retail sale in Québec of any alcoholic beverage, pay a specific tax equal to 0.063 of a cent per millilitre of beer or 0.140 of a cent per millilitre of any other alcoholic beverage the person purchases.

1991, c. 67, s. 487; 1995, c. 1, s. 340; 2005, c. 1, s. 359; 2015, c. 21, s. 783.

**488.** Every person who carries on business or ordinarily resides in Québec and brings or causes to be brought into Québec any alcoholic beverage for use or consumption by the person or by another person at the person's expense shall, immediately after the bringing of the alcoholic beverage into Québec, pay to the Minister a specific tax equal to 0.063 of a cent per millilitre of beer or 0.140 of a cent per millilitre of any other alcoholic beverage so brought into Québec.

However, the specific tax payable under the first paragraph does not apply to an alcoholic beverage so brought into Québec if the tax under section 17 is not payable in respect of the alcoholic beverage because of the application of paragraph 1 of section 81.



For the purposes of this section, an alcoholic beverage bound for Québec that is present in a preclearance perimeter or preclearance area, within the meaning of section 46 of the Preclearance Act, 2016 (S.C. 2017, c. 27), is deemed to be brought into Québec.

1991, c. 67, s. 488; 1995, c. 1, s. 340; 2005, c. 1, s. 360; 2015, c. 21, s. 783; 2024, c. 39, s. 128.

**488.1.** Every person who uses or consumes an alcoholic beverage in Québec on which the specific tax under section 487 or 488 has not been paid, or arranges for such a beverage to be used or consumed at the person's expense by another person shall, at the time the use or consumption of the alcoholic beverage in Québec begins, pay to the Minister a specific tax equal to 0.063 of a cent per millilitre of beer or 0.140 of a cent per millilitre of any other alcoholic beverage so used or consumed.

In addition, if the person has paid an amount equal to the specific tax pursuant to section 497 in respect of an alcoholic beverage referred to in the first paragraph, the person is deemed to have paid the tax under that paragraph in respect of the alcoholic beverage.

2015, c. 21, s. 784.

**489.** *(Repealed).*

1991, c. 67, s. 489; 1995, c. 1, s. 341; 1995, c. 63, s. 495; 2005, c. 1, s. 361; 2015, c. 21, s. 785.

**489.1.** In the case of beer produced in Québec by a particular person, the specific tax that a person is required to pay under this Title in respect of beer is reduced by the prescribed percentage, on the prescribed terms and conditions.

In the case of any other alcoholic beverage produced in Québec by a prescribed person, the specific tax that a person is required to pay under this Title in respect of such an alcoholic beverage is reduced by the prescribed percentage, on the prescribed terms and conditions.

1995, c. 63, s. 496; 1997, c. 85, s. 711; 2015, c. 21, s. 786; 2017, c. 1, s. 456.

## CHAPTER III

### EXEMPTION

**490.** The specific tax provided for in this Title does not apply to

- (1) *(subparagraph repealed)*;
- (2) *(subparagraph repealed)*;
- (3) the sale of an alcoholic beverage delivered outside Québec for use or consumption outside Québec;
- (4) the sale of an alcoholic beverage intended as a component of movable property intended for sale; or
- (5) the sale of an alcoholic beverage containing not more than 0.5% of alcohol by volume.

For the purposes of subparagraph 3 of the first paragraph, a vendor is deemed to deliver alcoholic beverages outside Québec where,

(1) he delivers to a person who operates a commercial air, land or water transportation business, for delivery outside Québec, alcoholic beverages that he has sold for use or consumption outside Québec and keeps a copy of the bill of lading or receipt certified by the carrier for purposes of verification by the Minister;

(2) he posts for delivery outside Québec alcoholic beverages that he has sold for use or consumption outside Québec, keeps for purposes of verification by the Minister the receipt from the Canada Post

Corporation identifying the purchaser and sender and satisfies the Minister as to the nature of the object so delivered.

1991, c. 67, s. 490; 1995, c. 63, s. 497; 1997, c. 14, s. 350; 1997, c. 85, s. 712; 2005, c. 1, s. 362.

**491.** The tax which a person is required to pay under section 488 or 488.1 in respect of an alcoholic beverage does not apply to the extent of the exemption to which the person would be entitled under section 490 if at the time specified in section 488 or 488.1 the person purchased the alcoholic beverage in Québec and the alcoholic beverage meets the conditions for the exemption.

1991, c. 67, s. 491; 2015, c. 21, s. 787.

## CHAPTER IV

### ADMINISTRATION

**492.** Every vendor shall, as mandatary of the Minister, collect the specific tax provided for in section 487 at the time of the sale by him of any alcoholic beverage.

Whether the price is stipulated to be payable in cash, with a term, in instalments or in any other manner, the tax referred to in the first paragraph shall be collected by the vendor at the time of the sale and calculated on the total number of millilitres of alcoholic beverage forming the object of the contract.

Every vendor who is required to collect the specific tax referred to in the first paragraph shall indicate to the purchaser, in prescribed manner or on any invoice, receipt, writing or other document recording the sale, the amount of the tax separately from the sale price or so indicate to him that the price includes the tax. In addition, the tax shall be referred to by its name, an abbreviation of its name or a similar designation. No other form of reference to the tax may be used.

1991, c. 67, s. 492; 1995, c. 63, s. 510; 2002, c. 46, s. 32.

**492.1.** Despite section 492, a vendor holding a registration certificate referred to in section 493 who, in the course of a business the vendor operates in an establishment situated on a reserve, engages, from that establishment, in the retail sale of an alcoholic beverage to a First Nations member, otherwise than for consumption on the premises, is not required to collect the specific tax provided for in section 487 in respect of the sale where the First Nations member presents to the vendor, at the time of the sale, the registration certificate for the program for administering the consumption tax exemption for First Nations and where the prescribed conditions are met in respect of the sale.

2024, c. 11, s. 183.

**492.2.** To obtain a registration certificate for the program for administering the consumption tax exemption for First Nations, a First Nations member shall make an application to that effect to the Minister in the prescribed form containing prescribed information and provide the prescribed documents.

2024, c. 11, s. 183.

**493.** No collection officer, wholesaler, importer, manufacturer or vendor shall sell any alcoholic beverage in Québec unless a registration certificate has been issued to him under Title I and unless such certificate is in force at the time of the sale.

However, the requirement imposed by the first paragraph does not apply to a person who is not required to be registered under Title I at the time of the sale of alcoholic beverages.

1991, c. 67, s. 493; 1995, c. 63, s. 498.

**494.** Every vendor shall keep an account of the specific tax the vendor has collected and shall, for each reporting period, where the vendor is required to file a return under Division IV of Chapter VIII of Title I, or

within the time period provided for in section 468, if the vendor so elects under section 499.4, render an account to the Minister, in prescribed form containing the prescribed information, of the specific tax the vendor has collected or should have collected during the particular reporting period, file the account with and as prescribed by the Minister and, at the same time, remit to the Minister the amount of that tax.

The vendor shall render an account even if no sale giving rise to such a tax was made during the particular reporting period.

Notwithstanding the foregoing, a vendor is not required to render an account to the Minister, unless the latter demands it, or to remit to him the specific tax collected in respect of the sale of any alcoholic beverage he acquired from a collection officer holding a registration certificate, where he has paid to that officer the amount provided for in section 497 in respect of that alcoholic beverage.

However, if the specific tax collected in respect of the alcoholic beverage is greater than the amount paid by the vendor under section 497 to a collection officer holding a registration certificate, the difference between the tax and the amount shall be remitted to the Minister according to the terms and conditions provided in the first paragraph.

1991, c. 67, s. 494; 1999, c. 83, s. 319; 2005, c. 1, s. 363.

**494.0.1.** A vendor who engages in the retail sale of alcoholic beverages on a reserve during a period determined by the Minister, otherwise than for consumption on the premises, and who, throughout that period, uses the computing solution in respect of the sales made to a First Nations member (in this section referred to as “particular sales”) is deemed, in respect of the period and the last day of the period, to claim a refund of the part of the amount paid under section 497 to a collection officer holding a registration certificate that is equal to the specific tax provided for in section 487 that has not been collected because of section 492.1 in respect of the particular sales.

2024, c. 11, s. 184.

**494.1.** *(Repealed).*

2005, c. 1, s. 364; 2005, c. 23, s. 281; 2015, c. 21, s. 788.

**495.** Where the specific tax provided for in section 487 has not been collected by the vendor, the purchaser shall, at the time of the sale, render an account of that fact to the Minister, sending him the invoice, if any, with such information as the Minister may require and, at the same time, remit to him the specific tax payable.

Every person who is required to pay tax under section 488 or 488.1 is under the same obligation, at the time specified in those sections.

1991, c. 67, s. 495; 2015, c. 21, s. 789.

## CHAPTER V

### ADVANCE COLLECTION

**496.** Every person who sells an alcoholic beverage in Québec is a collection officer.

Notwithstanding the first paragraph, the following persons, when carrying on the activities mentioned below, are not collection officers:

- (1) the vendor, when he makes a retail sale;
- (2) the holder of a distiller’s permit or a wine maker’s permit issued under the Act respecting the Société des alcools du Québec (chapter S-13), when he carries on activities authorized by such permit;

(3) the holder of a brewer's permit, a beer distributor's permit, a warehouse permit or a cider maker's permit issued under the Act respecting the Société des alcools du Québec, when he sells an alcoholic beverage

(a) for purposes of blending, to a person holding an industrial permit issued under the said Act; or

(b) *(subparagraph repealed)*;

(c) to the Société des alcools du Québec;

(4) the holder of a small-scale production permit issued under the Act respecting the Société des alcools du Québec, when he makes a sale of an alcoholic beverage

(a) *(subparagraph repealed)*;

(b) to the Société des alcools du Québec;

(4.1) the holder of a small-scale beer producer's permit issued under the Act respecting the Société des alcools du Québec, when he makes a sale to the Société des alcools du Québec;

(5) the Société des alcools du Québec, when it sells an alcoholic beverage

(a) to the holder of an industrial permit, a small-scale production permit or a small-scale beer producer's permit issued under the Act respecting the Société des alcools du Québec;

(b) *(subparagraph repealed)*.

1991, c. 67, s. 496; 1992, c. 17, s. 18; 1997, c. 14, s. 351; 2005, c. 1, s. 365.

**497.** Every collection officer holding a registration certificate shall, as mandatary of the Minister, collect an amount equal to the specific tax under section 487 in respect of beer or any other alcoholic beverage, as the case may be, from every person to whom the collection officer sells an alcoholic beverage in Québec.

However, the requirement provided for in the first paragraph does not apply

(1) to the sale of an alcoholic beverage that is delivered outside Québec; and

(2) to the sale of an alcoholic beverage that is delivered in Québec, if it is taken or shipped outside Québec, in the circumstances described in paragraphs 2 to 4 of section 179, for the purpose of resale and the collection officer keeps evidence satisfactory to the Minister.

Whether the price is stipulated to be payable in cash, with a term, in instalments or in any other manner, the amount contemplated in the first paragraph shall be collected by the collection officer at the time of the sale and calculated on the total number of millilitres of alcoholic beverage forming the object of the contract.

Every person who is required to collect the amount provided for in the first paragraph shall indicate to the purchaser, in prescribed manner or on any invoice, receipt, writing or other document recording the sale, that amount separately from the sale price or so indicate to him that the price includes that amount.

1991, c. 67, s. 497; 1995, c. 63, s. 510; 2005, c. 1, s. 366; 2006, c. 7, s. 15; 2015, c. 21, s. 790.

**498.** Every collection officer holding a registration certificate shall keep an account of the amounts the collection officer has collected and shall, for each reporting period, where the collection officer is required to file a return under Division IV of Chapter VIII of Title I, or within the time period provided for in section 468, if the collection officer so elects under section 499.4, render an account to the Minister, in prescribed form containing the prescribed information, of the amounts the collection officer has collected or should have collected under section 497 during the particular reporting period, file the account with and as prescribed by the Minister and, at the same time, remit the amounts to the Minister.

The collection officer shall render an account even if no sale of alcoholic beverages was made during the particular reporting period.

Notwithstanding the foregoing, a collection officer holding a registration certificate is not required to render an account to the Minister, unless the latter demands it, or to remit to him the amount collected in respect of the sale of any alcoholic beverage he acquired from another collection officer holding a registration certificate, where he has remitted to that other officer the amount provided for in section 497 in respect of the alcoholic beverage.

However, if the amount collected in respect of the alcoholic beverage is greater than the amount he paid under section 497 to a collection officer holding a registration certificate, the difference between the two amounts shall be remitted to the Minister according to the terms and conditions provided in the first paragraph.

1991, c. 67, s. 498; 1999, c. 83, s. 320; 2005, c. 1, s. 367.

**499.** Every collection officer holding a registration certificate who fails to collect the amount provided for in section 497 or fails to remit to the Minister such an amount which he has collected and is required to remit or remits the amount to a person who does not hold a registration certificate shall become a debtor of the Government for that amount.

Every collection officer who does not hold a registration certificate in force at the time he sells an alcoholic beverage in Québec shall become a debtor of the Government for any amount provided for in section 497 which he has collected or should have collected if he had held such a certificate.

In such circumstances, the amounts referred to in the first and second paragraphs are deemed to be duties within the meaning of the Tax Administration Act (chapter A-6.002).

1991, c. 67, s. 499; 2010, c. 31, s. 175.

## CHAPTER V.1

### INSTALMENT

1999, c. 83, s. 321.

**499.1.** Where the reporting period of a vendor or collection officer holding a registration certificate is a fiscal year within the meaning of section 1 or a period determined under section 461.1, the vendor or collection officer shall, within one month after the end of each of the vendor's or collection officer's fiscal quarter, within the meaning of section 1, ending in the reporting period, pay to the Minister an amount equal to 1/4 of the instalment base of the vendor or collection officer for that reporting period.

Sections 458.0.4 and 458.0.5 apply to that instalment, with the necessary modifications.

1999, c. 83, s. 321; 2005, c. 1, s. 368; 2015, c. 21, s. 791.

**499.2.** The instalment base of a person referred to in section 499.1 for a particular reporting period of the person is the lesser of

(1) an amount equal to

(a) in the case of a reporting period determined under section 461.1, the amount determined by the formula

$A \times (365 / B)$ , and

(b) in any other case, the total of the specific tax and the amount equal to the specific tax, if any, that the person has collected or should have collected for the particular reporting period; and

(2) the amount determined by the formula

$$C \times (365 / D).$$

For the purposes of these formulas,

(1) A is the total of the specific tax and the amount equal to the specific tax, if any, that the person has collected or should have collected for the particular reporting period;

(2) B is the number of days in the particular reporting period;

(3) C is the total of all amounts each of which is the total of the specific tax and the amount equal to the specific tax, if any, that the person has collected or should have collected for a reporting period ending in the 12-month period immediately preceding the particular reporting period; and

(4) D is the number of days in the period commencing on the first day of the first of those preceding reporting periods and ending on the last day of the last of those preceding reporting periods.

1999, c. 83, s. 321; 2005, c. 1, s. 369.

**499.3.** For the purposes of section 499.1, where the instalment base of a vendor or collection officer holding a registration certificate for a reporting period is less than \$3,000, it is deemed to be nil.

1999, c. 83, s. 321; 2009, c. 15, s. 527.

## CHAPTER V.2

### REPORTING PERIOD

2005, c. 1, s. 370.

**499.4.** A vendor who ordinarily renders an account of the specific tax the vendor has collected, in accordance with section 494, or a collection officer may elect to have a reporting period that corresponds to

(1) the fiscal year of the vendor or collection officer, within the meaning of section 1, if

(a) the reporting period of the vendor or collection officer under Division IV of Chapter VIII of Title I corresponds to the fiscal month or fiscal quarter of the vendor or collection officer, and

(b) the total of the specific tax and the amount equal to the specific tax, if any, that the vendor or collection officer remitted to the Minister, in accordance with section 494 or section 498, during the fiscal year that precedes that in which the election is made, is less than \$3,000; or

(2) the fiscal month or fiscal quarter of the vendor or collection officer, within the meaning of section 1, if

(a) the reporting period of the vendor or collection officer under Division IV of Chapter VIII of Title I corresponds to the fiscal year of the vendor or collection officer, and

(b) the total of the specific tax and the amount equal to the specific tax, if any, that the vendor or collection officer remitted to the Minister, in accordance with section 494 or section 498, during the fiscal year that precedes that in which the election is made, is equal to or greater than \$1,500.

2005, c. 1, s. 370; 2009, c. 15, s. 528; 2015, c. 21, s. 792.

**499.5.** A person may make the election provided for in section 499.4 by sending, on or before the day on which it takes effect, a notice in writing to the Minister specifying the fiscal year, fiscal quarter or fiscal month to which the reporting period must correspond.

The election provided for in the first paragraph takes effect on the first day of the reporting period in respect of which it is made.

2005, c. 1, s. 370.

**499.6.** The election made by a person under section 499.4 remains in effect until the earliest of

(1) the beginning of the day on which a new election made under section 499.4 takes effect;

(2) the beginning of the day on which an election made by the person under Division IV of Chapter VIII of Title I in respect of the reporting period provided for in that Division takes effect, where that election causes that reporting period to differ from the one elected by the person under paragraph 2 of section 499.4; and

(3) if the person made an election under paragraph 1 of section 499.4, the first day of the reporting period during which the total of the specific tax and the amount equal to the specific tax, if any, that the person remitted to the Minister reaches \$3,000.

2005, c. 1, s. 370; 2009, c. 15, s. 529.

**499.7.** A person may revoke the election made under section 499.4 by sending to the Minister a notice in writing.

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

(1) the revocation must specify the day on which it is to take effect and the reporting period concerned; and

(2) the revocation must be filed with the Minister on or before the day on which it is to take effect.

2005, c. 1, s. 370.

## CHAPTER VI

### MISCELLANEOUS PROVISIONS

**500.** No person may sell any alcoholic beverage in Québec to a collection officer or a vendor unless the collection officer or the vendor is, subject to the second paragraph of section 493, the holder of the registration certificate referred to in the first paragraph of that section.

1991, c. 67, s. 500; 1995, c. 63, s. 499.

**501.** No collection officer or vendor may purchase any alcoholic beverage in Québec from a person other than the holder of a registration certificate issued in accordance with section 415 or 415.0.6.

1991, c. 67, s. 501; 2015, c. 24, s. 186.

**502.** Every person who contravenes section 500 or 501 is liable to a fine of not less than \$2,000 nor more than \$25,000.

1991, c. 67, s. 502.

**503.** Every person who contravenes the third paragraph of section 492, section 493, section 495 or the fourth paragraph of section 497 is liable to a fine of not less than \$200 nor more than \$5,000.

1991, c. 67, s. 503; 1995, c. 1, s. 342.

**504.** Every person who, as mandatary of the Minister, refuses or neglects to collect the tax or the amount equal to the tax, to keep or render an account thereof or to remit the tax or amount to the Minister, in accordance with the provisions of this Title or with a regulatory provision referred to in paragraph 60 of section 677, is liable to a fine of not less than \$25 for each day that the offence continues.

1991, c. 67, s. 504; 1995, c. 63, s. 510.

**505.** The Minister may require any holder of a registration certificate or any person required to hold such a certificate to forward to him, within the period fixed by the Minister and in prescribed form containing prescribed information, the inventory of all or certain alcoholic beverages that are in the possession of the holder or person on such date as the Minister may determine.

1991, c. 67, s. 505.

**505.1.** A collection officer holding a registration certificate who makes a sale of an alcoholic beverage, other than a retail sale, to a person with whom the collection officer is dealing at arm's length, may, provided it is established that the sale price and the amount provided for in section 497 in respect of the sale of the alcoholic beverage have become in whole or in part a bad debt, obtain a rebate of an amount corresponding to the amount provided for in that section that the collection officer was unable to recover.

To obtain a rebate under the first paragraph, the collection officer must

(1) if required under section 498, have rendered an account to the Minister, in prescribed form, of the amount the collection officer should have collected under section 497 in respect of the sale of the alcoholic beverage for the reporting period in which that amount should have been collected;

(2) as the case may be, have paid under section 497 to a collection officer holding a registration certificate the amount provided for in that section in respect of the alcoholic beverage relating to the bad debt or have paid that amount to the Minister under section 498;

(3) have written off the bad debt in the collection officer's books of account and produce to the Minister an application in prescribed form within four years after the day on which the bad debt was written off; and

(4) have satisfied all prescribed terms and conditions.

For the purposes of the first paragraph, the collection officer may, in accordance with the prescribed terms and conditions of use, determine the amount of the rebate in the manner prescribed.

2001, c. 51, s. 307.

**505.2.** For the purposes of the first paragraph of section 505.1, persons are not dealing at arm's length with each other if the persons are described in any of sections 3 to 9.

2001, c. 51, s. 307.

**505.3.** A collection officer holding a registration certificate who recovers all or part of a bad debt in respect of which the collection officer obtained a rebate under section 505.1 shall, on or before the last day of the month following the month in which all or part of the bad debt was recovered, make a report to the



Minister in prescribed form on the amount equal to the specific tax determined in the prescribed manner and remit that amount to the Minister at the same time.

2001, c. 51, s. 307.

### **TITLE III**

#### **TAXATION OF INSURANCE PREMIUMS**

### **CHAPTER I**

#### **SCOPE**

**506.** For the purposes of this Title and the regulations made thereunder, unless the context indicates a different meaning, “person” has the meaning assigned by section 1.

1991, c. 67, s. 506.

**506.1.** For the purposes of this Title and the regulations, a legal person, whether or not established for pecuniary gain, is designated by the word “corporation”.

1997, c. 3, s. 133.

**507.** The object of this Title is to tax insurance premiums.

The following are deemed to be insurance premiums:

(1) any amount payable to obtain for oneself or another on the occurrence of a risk a benefit payable by an insurer or another person, including a contribution to an uninsured social benefits plan, an assessment, a premium deposit or a membership fee;

(2) any amount which, under an uninsured social benefits plan, is paid by reason of the occurrence of a risk.

1991, c. 67, s. 507.

**508.** The following are subject to tax under this Title:

(1) persons resident in Québec or carrying on business in Québec;

(2) persons not resident in Québec nor carrying on business in Québec, in respect of insurance of property situated in Québec.

1991, c. 67, s. 508.

**509.** A person is resident in Québec if he is ordinarily resident in Québec or if he is deemed to be resident in Québec pursuant to the Taxation Act (chapter I-3).

1991, c. 67, s. 509.

**510.** A person carries on business in Québec if he has an establishment in Québec or if he is deemed to have an establishment in Québec pursuant to the Taxation Act (chapter I-3).

1991, c. 67, s. 510.

**511.** An uninsured social benefits plan is a plan which gives protection against a risk that could otherwise be obtained by taking out a policy of insurance of persons, whether the benefits are partly insured or not.

The plan is deemed to be a policy of insurance of persons.

1991, c. 67, s. 511.

## CHAPTER II

### TAX

**512.** Every person subject to the tax shall, when paying an insurance premium, pay a tax equal to 9% of the premium.

However, where the premium is paid by instalments, the tax shall be computed and paid pro rata to the premium paid.

1991, c. 67, s. 512; 2015, c. 24, s. 187.



*The tax rate will be 9.975% for any premium paid after 31 December 2026.*

**513.** A person resident or carrying on business in Québec is deemed to pay the insurance premium paid by a person not subject to the tax in respect of the insurance policy concerned, in any of the following situations:

(1) where he is the owner of the insurance policy;

(2) where he has assigned his insurance policy to a person not subject to the tax in respect of the policy;

(3) where he has an interest in property situated in Québec or carries on an activity in Québec and a person not subject to the tax in respect of the policy is the owner of the insurance policy relating to that interest or activity.

The same rule applies to a person not resident in Québec nor carrying on business in Québec who has an interest in property situated in Québec if the premium for the insurance policy is paid by a person not subject to the tax in respect of the policy.

In the cases described in this section, the person is deemed to have paid a premium equal to that paid by the person not subject to the tax and to have paid it on the date the latter paid the premium.

1991, c. 67, s. 513.

## CHAPTER III

### SPECIAL PROVISIONS RESPECTING CERTAIN KINDS OF INSURANCE

#### DIVISION I

##### INSURANCE OF PERSONS

**514.** The following are deemed to be insurance premiums:

(1) administration costs connected with a policy of insurance of persons which are payable to the person who receives the premium described in subparagraph 1 of the second paragraph of section 507;

(2) administration costs connected with an insurance premium described in subparagraph 2 of the second paragraph of section 507 and payable to the person who administers the uninsured social benefits plan;

(3) interest charges and the tax paid or payable, if any, under Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in connection with a taxable premium under an uninsured social benefits plan;

(4) an amount payable to make up a deficit relating to a policy of insurance of persons, whether or not the policy is in force at the time of the payment.

1991, c. 67, s. 514.

**515.** The deposit of an amount in a fund created to obtain a benefit for oneself or another on the occurrence of a risk is deemed to be the payment of an insurance premium.

1991, c. 67, s. 515.

**515.1.** For the purposes of this Title, a premium payable under an individual insurance contract referred to in section 42.2 of the Act respecting prescription drug insurance (chapter A-29.01) is deemed to be a group insurance premium.

2017, c. 1, s. 457.

## DIVISION II

### DAMAGE INSURANCE

**516.** Administration costs connected with a damage insurance policy, except those payable to a person other than the insurer and separately indicated on the invoice, are deemed to be insurance premiums.

1991, c. 67, s. 516.

**517.** *(Repealed).*

1991, c. 67, s. 517; 1997, c. 14, s. 352; 2005, c. 1, s. 371.

**517.1.** For the purposes of this Title, travel cancellation or interruption insurance is deemed to be damage insurance.

1997, c. 14, s. 353.

**518.** For the purposes of section 512, where a damage insurance premium payable by a person who carries on business in Québec is over \$1,000 for the period of coverage and only part of the premium is attributable to a risk that might occur in Québec, the premium is that which is prescribed if the prescribed conditions are met.

If the prescribed conditions are not met, the tax is computed on the whole premium.

1991, c. 67, s. 518.

**519.** An automobile insurance premium is the premium exigible under a policy the form and conditions of which are approved by the Autorité des marchés financiers or a similar policy.

1991, c. 67, s. 519; 1992, c. 57, s. 714; 2002, c. 45, s. 622; 2004, c. 37, s. 90.

## CHAPTER IV

### EXEMPTIONS

**520.** The tax provided for in this Title does not apply to

- (1) the premium for an individual policy of insurance of persons;
- (2) the premium for a policy of group insurance of persons or for an uninsured social benefits plan

(a) payable by an employer in respect of an employee who presents himself for work at an establishment of the employer situated outside Québec or who is not required to present himself for work at an establishment of his employer and whose salary or wages are paid from such an establishment situated outside Québec;

(b) payable in respect of a person resident outside Québec by a person who carries on business in Québec and elsewhere and who is not contemplated in subparagraph *a*;

(3) the premium for an uninsured social benefits plan described in subparagraph 1 of the second paragraph of section 507 and payable by an employer in respect of an employee or by an organization in respect of a member if

(a) the amount is not greater than that required for payment of foreseeable and payable benefits for 30 days after payment of the premium; and

(b) the benefits constitute income from an office or employment for which contributions established pursuant to the Act respecting industrial accidents and occupational diseases (chapter A-3.001), the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5) or the Act respecting the Québec Pension Plan (chapter R-9) are paid;

(c) the benefits are payable by reason of a loss of all or part of his income from an office or employment;

(4) the premium for an uninsured social benefits plan described in subparagraph 2 of the second paragraph of section 507 if

(a) the amount is paid by an employer in respect of an employee or by an organization in respect of a member; and

(b) the amount constitutes income from an office or employment for which a contribution established pursuant to the Act respecting industrial accidents and occupational diseases, the Act respecting the Régie de l'assurance maladie du Québec or the Act respecting the Québec Pension Plan is paid;

(c) the amount is payable by reason of a loss of all or part of his income from an office or employment;

(5) the premium for a damage insurance policy where the premium is wholly attributable to the occurrence of a risk outside Québec;

(6) a premium payable out of another taxable premium;

(7) a premium payable under a contract of reinsurance or of insurance covering the risks referred to in article 2390 of the Civil Code other than risks relating to the use of a pleasure boat on inland waters only;

(8) the contribution payable under an annuity contract;

(9) the amount in respect of an additional coverage policy under the terms of which a person undertakes to assume the cost of repair or replacement of property or part thereof if it is defective or malfunctions;

(10) the amount payable to obtain a surety;

(11) the premium payable by a *fabrique* or a trustee of a parish under an insurance policy relating to property used for religious worship or religious activities;

(12) the premium payable by a cemetery society, company or corporation under an insurance policy relating to property used for the cemetery or for cemetery activities;

(13) the prescribed premium payable by an Indian or a band, within the meaning of the Indian Act (R.S.C. 1985, c. I-5) or the Naskapi and the Cree-Naskapi Commission Act (S.C. 1984, c. 18), or by a Cree

First Nation, within the meaning of the Cree Nation of Eeyou Istchee Governance Agreement Act (S.C. 2018, c. 4, s. 1), if the prescribed conditions are met;

(14) the premium, assessment or contribution payable under

(a) the Workers' Compensation Act (chapter A-3);

(b) the Act respecting industrial accidents and occupational diseases;

(b.1) the Act respecting parental insurance (chapter A-29.011);

(c) the Crop Insurance Act (chapter A-30);

(d) the Act respecting farm income stabilization insurance (chapter A-31);

(e) the Act respecting the Régie de l'assurance maladie du Québec;

(f) the Act respecting the Québec Pension Plan;

(f.1) the Department of Health Act (S.C. 1996, c. 8), for the purposes of the Canadian Dental Care Plan in respect of dental service for individuals; or

(g) the Employment Insurance Act (S.C. 1996, c. 23);

(15) a premium payable in respect of an aircraft used in the operation of a commercial air service under a licence or permit issued for that purpose under the Aeronautics Act (R.S.C. 1985, c. A-2) or under the National Transportation Act, 1987 (R.S.C. 1985, c. 28 (3rd Suppl.));

(16) a premium of \$0.25 or less payable in a single payment, or in several payments if the yearly total does not exceed that amount; or

(17) a premium that constitutes, under Title I, consideration for a taxable supply, other than a zero-rated supply.

1991, c. 67, s. 520; 1993, c. 64, s. 244; 1992, c. 57, s. 715; 1997, c. 3, s. 134; 1999, c. 89, s. 53; 2005, c. 38, s. 386; 2011, c. 1, s. 152; I.N. 2022-02-01; 2025, c. 27, s. 179.

**521.** Notwithstanding section 520, the tax provided for in this Title applies to the insurance premium payable to the Société de l'assurance automobile du Québec.

1991, c. 67, s. 521.

## CHAPTER V

### REIMBURSEMENT

**522.** A person who fully or partially reimburses an insurance premium shall also reimburse the tax he collected in respect thereof.

If a person who is an insurer fully or partially reimburses an insurance premium to another person and the person did not collect the tax in respect of the premium, the person may also reimburse to the other person the tax that the other person has paid in respect of the premium.

The reimbursement is computed pro rata to the reimbursed premium and is deducted from the amount of the tax collected by the person in respect of the period provided for in any of sections 527, 527.1 and 527.2 in which the person makes the reimbursement.

Where the reimbursement exceeds the amount of the tax collected by the person for the period provided for in any of sections 527, 527.1 and 527.2 in which the person makes the reimbursement or no payment of any insurance premium subject to the tax has been received in that period, the person may apply to the Minister, in the prescribed form relating to that period, for the reimbursement of that excess amount or the reimbursement of the tax, as the case may be.

1991, c. 67, s. 522; 2005, c. 1, s. 372; 2011, c. 1, s. 153; 2022, c. 23, s. 216.

**522.1.** Where a person collects from another person an amount as or on account of the tax provided for in this Title in excess of the tax that the person was required to collect, renders an account of and remits the amount to the Minister, the person may, within four years after the day the amount was collected, reimburse the excess amount to the other person.

The reimbursement is deducted from the amount of the tax collected by the person in respect of the period provided for in any of sections 527, 527.1 and 527.2 in which the person makes the reimbursement.

2005, c. 1, s. 373.

## CHAPTER VI

### ADMINISTRATION

#### DIVISION I

##### REGISTRATION CERTIFICATE, COLLECTION AND REMITTANCE

**523.** A person who receives payment of a premium for a policy of insurance of persons described in subparagraph 1 of the second paragraph of section 507, shall collect the tax provided for in this Title at the same time.

The person shall remit the tax to the Minister if he is not required to remit the premium to another person or if he is required to remit it to a person who does not hold a registration certificate.

In other cases, he shall remit the tax at the same time as the premium, to the person to whom he remits the premium.

1991, c. 67, s. 523.

**524.** The person who administers the uninsured social benefits plan of a particular person shall collect the tax provided for in this Title at the same time as the particular person pays to him the amount connected with the premium described in subparagraph 2 of the second paragraph of section 507 and shall remit the tax to the Minister.

1991, c. 67, s. 524.

**525.** The tax on a damage insurance premium shall be collected at the same time as the premium and remitted to the Minister by

(1) the insurance broker;

(1.1) the distributor authorized under the Act respecting the distribution of financial products and services (chapter D-9.2) to provide an automobile insurance policy that is replacement insurance within the meaning of paragraph 5 of section 424 of that Act;

(2) the insurer, if the premium has not been remitted to an insurance broker or to the distributor referred to in subparagraph 1.1 or if it has been remitted to an insurance broker from outside Québec who does not furnish proof to the insurer that the tax has been remitted to the Minister; or

(3) *(subparagraph repealed)*;

(4) any other person who receives payment of an insurance premium which he is not required to remit to another person, including an organization which receives payment of a premium payable under an Act.

In addition, the tax in respect of a damage insurance premium shall be collected by the travel agent at the same time as the premium and remitted to the Minister by the travel agent only where the travel agent is required to remit that premium to a person who does not hold a registration certificate.

1991, c. 67, s. 525; 2005, c. 1, s. 374; 2011, c. 1, s. 154.

**526.** Every person required to remit the tax provided for in this Title to the Minister, with the exception of a person referred to in section 528, is required to register and hold a registration certificate issued in accordance with section 526.1.

1991, c. 67, s. 526; 1995, c. 63, s. 500.

**526.1.** Every person required to be registered under section 526 shall apply for registration to the Minister before the day the person is first required to collect the tax provided for in this Title.

For the purposes of this Title, sections 412, 415 and 415.0.4 to 415.0.6 apply, with the necessary modifications.

1995, c. 63, s. 501; 2015, c. 24, s. 188.

**526.2.** The Minister may cancel the registration of a person referred to in section 526.

Sections 416 and 418 apply to the cancellation, with the necessary modifications.

1995, c. 63, s. 501.

**527.** Subject to sections 527.1 and 527.2, on or before the last day of each calendar month, every person who holds or who is required to hold a registration certificate shall act as a mandatary of the Minister, keep an account of the tax he has collected or should have collected under this Title for the preceding calendar month, render an account to the Minister in prescribed form containing prescribed information, file the account with and as prescribed by the Minister even if no payment of any insurance premium subject to the tax has been received during that calendar month and, at the same time, remit to the Minister the amount of such tax.

1991, c. 67, s. 527; 1994, c. 22, s. 630; 1995, c. 63, s. 502; 2005, c. 1, s. 375.

**527.1.** The holder of a registration certificate may elect to render an account to the Minister, on or before the last day of each month that follows the end of a period of three calendar months, of the tax provided for in this Title, in accordance with section 527, in respect of the preceding period of three calendar months, even if no payment of any insurance premium subject to the tax has been received during the period if

(1) during the 12 calendar months preceding the month in which the election took effect, the tax the holder has collected or should have collected is less than \$12,000; and

(2) the holder informs the Minister of the election.

The election provided for in the first paragraph takes effect on the day selected by the holder of the registration certificate, which day must correspond to the first day of a calendar month.

The election provided for in the first paragraph ceases to be in effect on the earlier of

(1) the first day of the calendar month following that on which the holder of the registration certificate revokes the election; and

(2) the day of the anniversary of the day on which the election took effect if, during the 12 calendar months that precede that anniversary day, the tax the holder has collected or should have collected is equal to or greater than \$12,000.

2005, c. 1, s. 376.

**527.2.** The holder of a registration certificate may elect to render an account to the Minister, on or before the last day of each third month that follows the end of a period of 12 calendar months, of the tax provided for in this Title, in accordance with section 527, in respect of the preceding period of 12 calendar months, even if no payment of any insurance premium subject to the tax has been received during the period if

(1) during the 12 calendar months preceding the month in which the election took effect, the tax the holder has collected or should have collected is less than \$1,500; and

(2) the holder informs the Minister of the election.

The election provided for in the first paragraph takes effect on the day selected by the holder of the registration certificate, which day must correspond to the first day of a calendar month.

The election provided for in the first paragraph ceases to be in effect on the earlier of

(1) the first day of the calendar month following that on which the holder of the registration certificate revokes the election; and

(2) the day of the anniversary of the day on which the election took effect if, during the 12 calendar months that precede that anniversary day, the tax the holder has collected or should have collected is equal to or greater than \$1,500.

2005, c. 1, s. 376.

**527.3.** For the purposes of sections 527.1 and 527.2, the holder of a registration certificate who, for the first time, determines the amount of tax collectible may use estimates.

2005, c. 1, s. 376.

**528.** Where the tax provided for in this Title is not collected from the person subject to the tax at the time of payment of the premium, the person shall, at that time, render an account to the Minister by sending the invoice or statement, if any, and any information the Minister may require, and remit to the Minister the tax payable on or before

(1) where the person is registered under Title I, the day on which the person is required to file a return for the reporting period determined under subdivision 1 of Division IV of Chapter VIII of Title I in which the premium was paid, in accordance with the provisions of subdivision 2 of Division IV of Chapter VIII of Title I, except where the person is a selected listed financial institution throughout that reporting period; and

(2) in any other case, the last day of the calendar month following the calendar month in which the premium was paid.

1991, c. 67, s. 528; 1995, c. 63, s. 503; 2006, c. 13, s. 240; 2009, c. 15, s. 530; 2012, c. 28, s. 179; 2013, c. 10, s. 234.

**528.1.** Every person required to remit to the Minister the tax provided for in this Title who, on 31 July 1995, holds a registration certificate issued under Title I is deemed, for the purposes of this Title, to hold, on 1 August 1995, a registration certificate issued under section 526.1.

1995, c. 63, s. 504.



## **DIVISION II**

### **CERTIFICATION**

**529.** A person subject to the tax who pays an insurance premium part of which is not taxable shall certify what portion of the premium is taxable, to the person required to collect the tax.

1991, c. 67, s. 529; 2004, c. 21, s. 540.

## **DIVISION III**

### **COMPUTATION AND SEPARATE INDICATION OF THE TAX**

**530.** The tax provided for in this Title shall be computed separately for each premium payment and any fraction of \$0.01 shall be counted as \$0.01.

Notwithstanding the foregoing, where a damage insurance premium is greater than \$11, the person who collects the tax may round it off to the nearest dollar.

1991, c. 67, s. 530.

**531.** The tax shall be shown separately from the premium on any invoice or statement and in the books of account of the person required to collect the tax, except where section 529 applies, in which case the person subject to the tax is required to indicate the tax separately from the amount of the premium on any document forwarded with his payment.

In addition, the tax shall be referred to by its name, an abbreviation of its name or a similar designation. No other form of reference to the tax may be used.

1991, c. 67, s. 531; 2002, c. 46, s. 33.

**532.** Where the insurance premium is not specified or where it is combined with another amount, the Minister may determine the premium which shall serve as the basis for the taxation provided for in this Title.

1991, c. 67, s. 532.

**533.** Where an insurance premium is paid by way of a salary deduction, the tax need not be separately indicated on the statement of earnings and deductions.

Notwithstanding the foregoing, a person who agrees to this mode of payment shall be informed at the time he agrees to it of the amount of the tax payable on his insurance premium.

1991, c. 67, s. 533.

**534.** Every person who contravenes any of sections 526, 528, 531 or 533 or a regulatory provision referred to in paragraph 60 of section 677 is liable to a fine of not less than \$200 nor more than \$5,000.

1991, c. 67, s. 534.

**535.** Every person who, as mandatary of the Minister, refuses or neglects to collect the tax or the amount equal to the tax, to keep or render an account thereof or remit it to the Minister, in accordance with the provisions of this Title or with a regulatory provision referred to in paragraph 60 of section 677, is liable to a fine of not less than \$25 for each day that the offence continues.

1991, c. 67, s. 535; 1995, c. 63, s. 510.

**536.** No person to whom section 526 applies may institute or continue any proceedings in Québec for the recovery of a debt arising from an insurance policy unless the person holds a registration certificate issued in accordance with section 415 or 415.0.6.

Such incapacity shall be noticed *ex officio* by the court and its officers.

Nevertheless, any proceedings instituted shall be valid notwithstanding such incapacity upon the subsequent obtaining of the registration certificate.

1991, c. 67, s. 536; 2015, c. 24, s. 189.

## TITLE IV

### TAX ON THE PARI-MUTUEL

**537.** For the purposes of this Title and the regulations made thereunder, unless the context indicates a different meaning, “person” has the meaning assigned by section 1.

1991, c. 67, s. 537.

**538.** Every person who, in Québec, makes a bet under a pari-mutuel system, on a horse race held at a racetrack in or outside Québec shall, on placing a bet, pay to the Minister a tax computed at the rate of 2.5% of the amount of the placed bet before any deduction prescribed or permitted by any other Act.

1991, c. 67, s. 538; 2001, c. 51, s. 308; 2011, c. 1, s. 155.

**539.** Every person who, during a race card, receives amounts that are placed as bets under a pari-mutuel system shall, at that time and as a mandatary of the Minister, collect the tax provided for in section 538 in the manner specified by the Minister.

The person shall remit to the Minister the tax that the person collected, or should have collected, on or before the last day of the calendar month following that in which the person received the amounts placed as bets referred to in the first paragraph and, at the same time, submit a report to the Minister in the manner specified by the Minister.

1991, c. 67, s. 539; 2015, c. 21, s. 793.

**540.** Every person required to collect the tax provided for in this Title shall hold a registration certificate issued under Title I.

1991, c. 67, s. 540.

**540.1.** (*Repealed*).

1995, c. 68, s. 2; 2011, c. 16, s. 35.

**541.** Notwithstanding any special Act, no municipality may, by by-law, resolution or otherwise, levy any duty, impost or tax for the operating of a race track or the holding of a race meeting.

1991, c. 67, s. 541.

## **TITLE IV.1**

*Repealed, 1997, c. 14, s. 379.*

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

## **CHAPTER I**

*Repealed, 1997, c. 14, s. 379.*

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1995, c. 63, s. 505; 1997, c. 3, s. 144; 1997, c. 14, s. 379.

### **541.1. (Repealed).**

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1995, c. 63, s. 505; 1997, c. 3, s. 144; 1997, c. 14, s. 379.

#### **541.1.1. (Repealed).**

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1995, c. 63, s. 505; 1997, c. 3, s. 144; 1997, c. 14, s. 379.

## **CHAPTER II**

*Repealed, 1997, c. 14, s. 379.*

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

### **541.2. (Repealed).**

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

### **541.3. (Repealed).**

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1995, c. 63, s. 505; 1997, c. 3, s. 144; 1997, c. 14, s. 379.

### **541.4. (Repealed).**

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

### **541.5. (Repealed).**

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

### **541.6. (Repealed).**

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

### **541.7. (Repealed).**

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

## CHAPTER III

*Repealed, 1997, c. 14, s. 379.*

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

### **541.8.** *(Repealed).*

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

### **541.9.** *(Repealed).*

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

### **541.10.** *(Repealed).*

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

### **541.11.** *(Repealed).*

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

## CHAPTER IV

*Repealed, 1997, c. 14, s. 379.*

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

### **541.12.** *(Repealed).*

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

## CHAPTER V

*Repealed, 1997, c. 14, s. 379.*

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

### **541.13.** *(Repealed).*

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

### **541.14.** *(Repealed).*

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

### **541.15.** *(Repealed).*

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

### **541.16.** *(Repealed).*

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

### **541.17.** *(Repealed).*

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

## CHAPTER VI

*Repealed, 1997, c. 14, s. 379.*

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

## DIVISION I

*Repealed, 1997, c. 14, s. 379.*

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

### **541.18.** *(Repealed).*

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

## DIVISION II

*Repealed, 1997, c. 14, s. 379.*

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

### **541.19.** *(Repealed).*

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

### **541.20.** *(Repealed).*

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

## DIVISION III

*Repealed, 1997, c. 14, s. 379.*

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

### **541.21.** *(Repealed).*

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

## CHAPTER VII

*Repealed, 1997, c. 14, s. 379.*

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

### **541.22.** *(Repealed).*

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1995, c. 63, s. 505; 1997, c. 14, s. 379.

## TITLE IV.2

### TAX ON LODGING

1997, c. 14, s. 354; 2005, c. 38, s. 387.

## CHAPTER I

### DEFINITIONS

1997, c. 14, s. 354.

**541.23.** For the purposes of this Title and the regulations made thereunder, unless the context indicates otherwise,

“accommodation unit” includes a room, a bed, a suite, an apartment, a house, a cottage or a ready-to-camp unit;

“calendar quarter” has the meaning assigned by section 1;

“customer” means the recipient of a supply of an accommodation unit, but does not include the intermediary;

“digital accommodation platform” means a digital platform through which a person brings together the supplier of an accommodation unit and a recipient, provides a framework for their interaction and manages their financial transactions;

“intermediary” means the recipient of a supply of an accommodation unit who receives the supply only to again make a supply of the accommodation unit;

“operator of a sleeping-accommodation establishment” means a person who carries on the activities relating to the operation of a sleeping-accommodation establishment;

“overnight stay” means a supply of an accommodation unit for more than six hours per period of 24 hours;

“person” has the meaning assigned by section 1;

“ready-to-camp unit” means a structure installed on a platform, on wheels or directly on the ground, and provided with the equipment necessary to stay there, including self-catering kitchen facilities;

“recipient” has the meaning assigned by section 1;

“reporting period” of a person at a particular time means the calendar quarter that includes that time;

“sleeping-accommodation establishment” means an establishment in which at least one accommodation unit is offered for rent to tourists, in return for payment, for a period not exceeding 31 days, on a regular basis in the same calendar year, the availability of which unit is made public;

“supplier” has the meaning assigned by section 1;

“supply” has the meaning assigned by section 1;

“tourist” means a person who takes a leisure or business trip, or a trip to carry out remunerated work, of not less than one night nor more than one year outside the municipality where the person’s place of residence is located and who uses private or commercial accommodation services.

For the purposes of the definition of “sleeping-accommodation establishment” in the first paragraph, a group of movables and immovables, adjacent or grouped together, having accessories or dependencies in common, may constitute a single sleeping-accommodation establishment provided that the movables and immovables composing it are operated by the same person and are all the same type of prescribed sleeping-accommodation establishment referred to in the first paragraph of section 541.24.

For the purposes of the definition of “sleeping-accommodation establishment” in the first paragraph, an accommodation unit offered for rent through a digital accommodation platform operated by a person who is a registrant under this Title is deemed to be offered for rent on a regular basis in the same calendar year.

1997, c. 14, s. 354; 2003, c. 9, s. 457; 2004, c. 21, s. 541; 2005, c. 38, s. 388; 2006, c. 36, s. 290; 2010, c. 25, s. 248; 2011, c. 6, s. 286; 2017, c. 1, s. 458; 2018, c. 18, ss. 88 and 91; 2019, c. 14, s. 560; 2021, c. 18, s. 219.

## CHAPTER II

### IMPOSITION OF TAX

1997, c. 14, s. 354; 2005, c. 38, s. 389.

**541.24.** The customer shall, at the time of the supply of an accommodation unit in a prescribed sleeping-accommodation establishment situated in a prescribed tourist region, pay

(1) where the supply is made by the operator of a sleeping-accommodation establishment and is not a supply to which subparagraph 2.1 applies, a tax computed at the rate of 3.5% of the value of the consideration for the overnight stay;

(2) where the supply is made by an intermediary and is not a supply to which subparagraph 2.1 or 2.2 applies, a specific tax equal to \$3.50 per overnight stay for each unit;

(2.1) where the supply is made through a digital accommodation platform operated by a person who is a registrant under this Title, a tax computed at the rate of 3.5% of the value of the consideration for the overnight stay; or

(2.2) where the supply is made by an intermediary, the initial supply of the accommodation unit by the operator of a sleeping-accommodation establishment was made through a digital accommodation platform operated by a person who is a registrant under this Title and the unit is not supplied again by an intermediary through such a platform, a tax equal to the amount that is 3.5% of the value of the consideration for the overnight stay received for the initial supply of the unit;

(3) *(subparagraph repealed)*;

(4) *(subparagraph repealed)*.

For the purposes of subparagraphs 1 and 2.1 of the first paragraph, where a property or service is supplied together with the accommodation unit for a single consideration, the value of the consideration for the overnight stay is solely the amount attributable to the supply of the accommodation unit.

For the purposes of the second paragraph, the Minister may determine the value of the consideration for the overnight stay if the value is less than the fair market value of the overnight stay.

1997, c. 14, s. 354; 2004, c. 21, s. 542; 2005, c. 38, s. 390; 2006, c. 36, s. 291; 2007, c. 12, s. 342; 2010, c. 25, s. 249; 2013, c. 10, s. 235; 2015, c. 24, s. 190; 2017, c. 1, s. 459; 2018, c. 18, s. 92.

**541.24.1.** Where tax that is at any time payable under section 541.24 in respect of one or more supplies included in an agreement, invoice or receipt is an amount that includes a fraction of a cent, the fraction,

(1) if less than half of a cent, may be disregarded; and

(2) if equal to or greater than half of a cent, is deemed to be an amount equal to one cent.

2005, c. 38, s. 391.

## CHAPTER III

### ADMINISTRATION

1997, c. 14, s. 354.

**541.25.** The operator of a sleeping-accommodation establishment or the intermediary who receives an amount from a customer for the supply of an accommodation unit referred to in section 541.24 shall, as a mandatary of the Minister, collect the tax at that time.

The operator of a sleeping-accommodation establishment or the intermediary who receives an amount from a person other than a customer for the supply of such an accommodation unit shall, as a mandatary of the Minister, collect, at that time, an amount that is equal to the tax or would be equal to the tax if subparagraph 2.1 of the first paragraph of section 541.24 were read as if “a tax computed at the rate of 3.5% of the value of the consideration for the overnight stay” were replaced by “a specific tax equal to \$3.50 per overnight stay for each unit”.

However, the operator of a sleeping-accommodation establishment or the intermediary who makes a supply of such an accommodation unit through a digital accommodation platform operated by a person is not required to collect the tax or the amount referred to in the second paragraph in respect of the supply if the bill is issued by the person at a time when the person’s registration is effective.

A person operating a digital accommodation platform who receives an amount for the supply of such an accommodation unit shall, as a mandatary of the Minister, collect, at that time, where the amount is received from a customer, the tax or, where the amount is received from a person other than a customer, an amount computed at the rate of 3.5% of the value of the consideration for the overnight stay (in this chapter referred to as the “particular amount”), if

- (1) the supply of the unit is made through the person’s digital accommodation platform; and
- (2) the bill is issued by the person at a time when the person’s registration is effective.

Despite the second paragraph, the intermediary who receives an amount from a person other than a customer for the supply of such an accommodation unit shall, as a mandatary of the Minister, if the initial supply of the unit has been made through a digital accommodation platform operated by a person who is a registrant under this Title and the unit has not been supplied again through such a platform, collect, at that time, an amount equal to the particular amount that was or should have been collected by the latter person in respect of the initial supply.

The operator of a sleeping-accommodation establishment or the intermediary who makes a supply of such an accommodation unit for no consideration, otherwise than through a digital accommodation platform, shall, as a mandatary of the Minister, collect, at the time the supply is made,

(1) where the supply is made to a customer by an intermediary, the tax provided for in subparagraph 2 of the first paragraph of section 541.24;

(2) where the supply is made to a person other than a customer, an amount equal to the tax provided for in subparagraph 2 of the first paragraph of section 541.24;

(3) where the supply is made to a customer by an intermediary, the initial supply of the accommodation unit by the operator of a sleeping-accommodation establishment was made through a digital accommodation platform operated by a person who is a registrant under this Title and the unit has not been supplied again by an intermediary through such a platform, the tax provided for in subparagraph 2.2 of the first paragraph of section 541.24; or

(4) where the supply is made to a person other than a customer by an intermediary, the initial supply of the accommodation unit by the operator of a sleeping-accommodation establishment was made through a



digital accommodation platform operated by a person who is a registrant under this Title and the unit has not been supplied again by an intermediary through such a platform, an amount equal to the amount that was or should have been collected by the person in respect of the initial supply.

The rules set out in the second and third paragraphs of section 541.24 apply to the fourth paragraph.

1997, c. 14, s. 354; 2004, c. 21, s. 543; 2005, c. 38, s. 392; 2010, c. 25, s. 250; 2013, c. 10, s. 236; 2017, c. 1, s. 460; 2018, c. 18, s. 93.

**541.26.** Every person who is required to collect the tax or any of the amounts referred to in section 541.25 during a reporting period shall keep an account thereof and, on or before the last day of the month following the end of the reporting period, render an account to the Minister, in the prescribed form containing prescribed information, of the tax or any of those amounts that the person has collected or should have collected for the reporting period and, on or before that last day, remit the tax or amount to the Minister.

A person shall render an account to the Minister even if no amount relating to the supply of an accommodation unit giving rise to the tax or to any of the amounts referred to in section 541.25 was received during the reporting period.

However, a person is not required to render an account to the Minister, unless the latter demands it, or to remit the tax or the amount referred to in the second paragraph of section 541.25 in respect of the supply of an accommodation unit that the person has acquired from another person, where the person has remitted, in respect of the supply,

- (1) an amount referred to in the second paragraph of section 541.25 to that other person; or
- (2) a particular amount where it is equal to or greater than the tax or the amount referred to in subparagraph 1 that the person is required to collect.

In addition, where the initial supply of an accommodation unit by the operator of a sleeping-accommodation establishment was made through a digital accommodation platform operated by a person who is a registrant under this Title and the accommodation unit has not been supplied again by an intermediary through such a platform, the intermediary who acquired the accommodation unit from the operator or another intermediary is not required to render an account to the Minister, unless the latter demands it, or to remit, in respect of the supply of that unit, the tax referred to in subparagraph 2.2 of the first paragraph of section 541.24 or the amount that the intermediary has collected under the fifth paragraph of section 541.25 where the intermediary has remitted, in respect of the supply, the particular amount or an amount equal to that amount, as the case may be.

An amount that a person is required to collect in accordance with section 541.25 is deemed to be a duty within the meaning of the Tax Administration Act (chapter A-6.002).

1997, c. 14, s. 354; 2004, c. 21, s. 544; 2010, c. 31, s. 175; 2018, c. 18, s. 94; 2021, c. 18, s. 220.

**541.26.1.** Where in a reporting period a person who is not resident in Québec, does not carry on a business in Québec, within the meaning of section 1, and is not a registrant, within the meaning of that section, is required under the fourth paragraph of section 541.25 to collect the tax or the particular amount in respect of the supply of an accommodation unit and where the consideration for the supply is expressed in a foreign currency, the value of the consideration for the supply must, for the purpose of rendering an account of the tax or the particular amount under section 541.26, unless the second paragraph applies, be converted into Canadian currency using the exchange rate applicable on the last day of the reporting period or any other conversion method acceptable to the Minister.

A person to whom the first paragraph applies may elect to render an account of the tax or the particular amount, for a reporting period, in a prescribed foreign currency. In such a case, the amount to be remitted to the Minister by the person for the reporting period must be remitted in that same prescribed foreign currency.

Where a person elects under the second paragraph to render an account of the tax or the particular amount, for a reporting period, in a prescribed foreign currency and the value of the consideration for the supply of an accommodation unit is expressed in another foreign currency, the value of the consideration must be converted into the prescribed foreign currency using the exchange rate applicable on the last day of the reporting period or any other conversion method acceptable to the Minister.

For the purposes of this section, the conversion method used by a person for the purpose of rendering an account to the Minister of the tax or the particular amount for a reporting period and of remitting it to the Minister must be used consistently for at least 24 months.

Division II of Chapter I of Title I applies for the purpose of determining whether a person is resident in Québec.

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2021, c. 36, s. 191.

**541.27.** Where a person reimburses the total amount paid for an overnight stay in an accommodation unit to another person, the person shall also reimburse the tax or any of the amounts referred to in section 541.25 that the person has collected in its respect.

Where the person reimburses part of the amount paid for an overnight stay in an accommodation unit, the person shall also reimburse the tax provided for in subparagraph 1 or 2.1 of the first paragraph of section 541.24, or the particular amount, the person collected in respect of that part.

The person may deduct that total amount in determining the tax for a particular reporting period in which the person remits that amount to the other person or for any subsequent period ending not later than four years after the day on which the particular period ends.

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1997, c. 14, s. 354; 2004, c. 21, s. 545; 2018, c. 18, s. 95.

**541.27.1.** Where a person who is a registrant under this Title operates a digital accommodation platform and collects from a customer or a person other than a customer an amount as or on account of the tax or a particular amount, as the case may be, in excess of the amount the person was required to collect, and renders an account of and remits the amount to the Minister, the person may, within four years after the day the amount was collected, reimburse the excess amount to the customer or the person other than a customer.

The reimbursement is deducted from the amount of the tax and the particular amounts collected by the person for the reporting period in which the person makes the reimbursement.

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2018, c. 18, s. 96; 2019, c. 14, s. 561.

**541.28.** Every person who is required to remit the tax or the amount referred to in the second paragraph of section 541.25 to the Minister or who operates a digital accommodation platform and receives an amount for the supply of an accommodation unit referred to in section 541.24 is required to register and to hold a registration certificate issued in accordance with section 541.30.

The first paragraph does not apply to an intermediary.

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1997, c. 14, s. 354; 2018, c. 18, s. 97; 2019, c. 14, s. 562.

**541.29.** Every person required to register under section 541.28 who, immediately before the particular day on which the tax provided for in this Title becomes applicable, holds a registration certificate issued under Chapter VIII of Title I is deemed, for the purposes of this Title, to hold, on the particular day, a registration certificate issued in accordance with section 541.30.

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1997, c. 14, s. 354; 2005, c. 38, s. 393; 2018, c. 18, s. 97; 2019, c. 14, s. 562.

**541.30.** Every person required to register under section 541.28 shall apply to the Minister for registration before the day on which the person is first required to collect the tax, the amount referred to in the second paragraph of section 541.25 or the particular amount, as the case may be.

For the purposes of the first paragraph and section 541.28, sections 412, 415 and 415.0.4 to 415.0.6 apply, with the necessary modifications.

Despite the second paragraph, in the case of a person operating a digital accommodation platform, the second paragraph of section 415 is to be read without reference to “shall be kept at the principal establishment of its holder in Québec and”.

1997, c. 14, s. 354; 2015, c. 24, s. 191; 2018, c. 18, s. 97; 2019, c. 14, s. 563; 2021, c. 18, s. 221.

**541.30.1.** *(Repealed).*

2018, c. 18, s. 98; 2019, c. 14, s. 564.

**541.31.** The Minister may cancel the registration of a person referred to in section 541.28.

Sections 416 and 418 apply, with the necessary modifications, to the cancellation.

1997, c. 14, s. 354.

**541.31.1.** *(Repealed).*

2018, c. 18, s. 99; 2019, c. 14, s. 565.

**541.32.** Every person required under section 541.25 to collect the tax or another amount shall indicate the tax or the amount on the invoice, receipt, writing or other document recording the amount paid or payable for an accommodation unit.

However, where subparagraph 1 or 2.1 of the first paragraph of section 541.24 or the fourth paragraph of section 541.25 applies, the person shall indicate the amount of the tax separately and specify that the amount is the 3.5% tax on lodging if

(1) an accommodation unit is supplied with another property or service; and

(2) the amount paid or payable recorded on the invoice, receipt, writing or other document is not solely attributable to the supply of the accommodation unit.

1997, c. 14, s. 354; 2004, c. 21, s. 546; 2006, c. 36, s. 292; 2010, c. 25, s. 251; 2017, c. 1, s. 461; 2018, c. 18, s. 100.

**541.33.** The Minister shall transfer to the Tourism Partnership Fund established by the Act to establish the Tourism Partnership Fund (1996, chapter 72), out of the sums credited to the general fund, the proceeds of the tax on lodging collected under this Title.

The transfers shall be made on the dates and according to the terms and conditions agreed upon, after deduction of reimbursements and collection costs.

1997, c. 14, s. 354; 2005, c. 38, s. 394; 2011, c. 18, s. 286.

### **TITLE IV.3**

*Repealed, 2004, c. 21, s. 547.*

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1997, c. 85, s. 713; 2004, c. 21, s. 547.

### **CHAPTER I**

*Repealed, 2004, c. 21, s. 547.*

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1997, c. 85, s. 713; 2004, c. 21, s. 547.

#### **541.34. (Repealed).**

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1997, c. 85, s. 713; 2004, c. 21, s. 547.

### **CHAPTER II**

*Repealed, 2004, c. 21, s. 547.*

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1997, c. 85, s. 713; 2004, c. 21, s. 547.

#### **541.35. (Repealed).**

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1997, c. 85, s. 713; 1999, c. 83, s. 322; 2004, c. 21, s. 547.

#### **541.36. (Repealed).**

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1997, c. 85, s. 713; 2001, c. 51, s. 309; 2004, c. 21, s. 547.

#### **541.37. (Repealed).**

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1997, c. 85, s. 713; 2004, c. 21, s. 547.

### **CHAPTER III**

*Repealed, 2004, c. 21, s. 547.*

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1997, c. 85, s. 713; 2004, c. 21, s. 547.

#### **541.38. (Repealed).**

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1997, c. 85, s. 713; 2002, c. 46, s. 34; 2004, c. 21, s. 547.

#### **541.39. (Repealed).**

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1997, c. 85, s. 713; 2004, c. 21, s. 547.

#### **541.40. (Repealed).**

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1997, c. 85, s. 713; 2004, c. 21, s. 547.

#### **541.41. (Repealed).**

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1997, c. 85, s. 713; 2004, c. 21, s. 547.

**541.42.** *(Repealed).*

1997, c. 85, s. 713; 2004, c. 21, s. 547.

**541.43.** *(Repealed).*

1997, c. 85, s. 713; 2004, c. 21, s. 547.

**541.44.** *(Repealed).*

1997, c. 85, s. 713; 2004, c. 21, s. 547.

**TITLE IV.4**

**AGREEMENT WITH A MOHAWK COMMUNITY**

1999, c. 53, s. 17.

**541.45.** The purpose of this Title is to provide for the implementation of any agreement concerning the application of this Act concluded between the Government and a Mohawk community.

1999, c. 53, s. 17.

**541.46.** Subject to section 541.47, the provisions of this Act that are necessary to implement an agreement referred to in section 541.45 apply with the necessary modifications.

1999, c. 53, s. 17.

**541.47.** For the purposes of an agreement referred to in section 541.45, the Government may make regulations to

- (1) enact any provision necessary to give effect to the agreement and its amendments;
- (2) specify the provisions of this Act that do not apply;
- (3) take any other measures necessary to implement the agreement and its amendments.

The competent parliamentary committee of the National Assembly shall examine every regulation made by the Government under this section and the agreement relating thereto.

1999, c. 53, s. 17.

**TITLE IV.4.1**

**AGREEMENTS RELATING TO NATIVE TAXES IN INDIAN RESERVES**

2010, c. 25, s. 252.

**CHAPTER I**

**OBJECT**

2010, c. 25, s. 252.

**541.47.1.** The object of this Title is to provide for the conclusion of agreements between the Government and a band council empowered to adopt fiscal standards in a reserve of the Native community it represents and for the harmonization of those standards with any of the following texts of law and with the regulations made under it:

(1) Title I as regards all property and services referred to in that Title;

(2) Title I as regards alcoholic beverages or fuel;

(2.1) Title I as regards cannabis products, within the meaning of section 2 of the Excise Act, 2001 (S.C. 2002, c. 22);

(3) Title II as regards alcoholic beverages;

(4) Title III as regards insurance premiums;

(5) the Tobacco Tax Act (chapter I-2); and

(6) the Fuel Tax Act (chapter T-1).

2010, c. 25, s. 252; 2019, c. 14, s. 566.

## CHAPTER II

### DEFINITIONS

2010, c. 25, s. 252.

**541.47.2.** For the purposes of this Title, unless the context indicates otherwise, the expressions used in this Title have the meaning assigned by section 1, except “Government” which means the Gouvernement du Québec only.

The expression “alcoholic beverages” has the meaning assigned by section 2 of the Act respecting offences relating to alcoholic beverages (chapter I-8.1) and “fuel” has the meaning assigned by section 1 of the Fuel Tax Act (chapter T-1).

In addition,

“band text” means a band law within the meaning of section 17 of the First Nations Goods and Services Tax Act (S.C. 2003, c.15, s. 67), enacted by section 10 of chapter 19 of the Statutes of Canada of 2005;

“input tax refund” means an input tax refund within the meaning of Title I;

“net tax” means a net tax within the meaning of Title I;

“taxable supply brought into Québec” means a supply referred to in section 18 or 18.0.1.

2010, c. 25, s. 252.

## CHAPTER III

### ADMINISTRATION AGREEMENT

2010, c. 25, s. 252.

**541.47.3.** The Government may enter into an agreement with a band council referred to in Schedule 2 to the First Nations Goods and Services Tax Act (S.C. 2003, c.15, s. 67), enacted by section 12 of chapter 19 of the Statutes of Canada of 2005, for the purpose of entrusting the Minister with the administration and application of a band text adopted by the council to impose a property or services tax within the boundaries of a reserve referred to in that Schedule and located in Québec.

2010, c. 25, s. 252.

**541.47.4.** Such an agreement may be entered into only if the band text

(1) was duly adopted by the band council; and

(2) is harmonized with any of the texts of law referred to in section 541.47.1 and with the regulations made under it.

2010, c. 25, s. 252.

**541.47.5.** In addition to providing for the administration and application of a band text by the Minister, the agreement must, in accordance with the band text, provide for the payment by the Government to the Native community of sums based on the tax attributable to the Native community that is, according to the method to be determined in the agreement, an estimate for each calendar year of the excess amount provided for in paragraph 1 or 2, as applicable:

(1) in the case of a band text that is harmonized with the text of law referred to in paragraph 1 of section 541.47.1, the amount by which the amount determined in accordance with subparagraph *a* exceeds the amount determined in accordance with subparagraph *b*:

(a) the total of all amounts each of which is the amount of tax that, while the band text was in force, became payable in the calendar year, under a band text that is the subject of an agreement with the Government, or under Title I and that is attributable to a property or service that is for consumption or use in the reserve of the Native community, and

(b) the total of all amounts each of which is included in the total determined in accordance with subparagraph *a* and that

i. is included in computing an input tax refund or in determining a deduction that may be claimed in computing a person's net tax,

ii. may reasonably be considered to be an amount that a person is or was entitled to recover by way of a rebate, refund, remission or otherwise under a band text that was the subject of an agreement with the Government, under this Act or under another Act, or

iii. is an amount of tax in respect of a supply to a person who is, under a federal Act, an Act of Québec or any other rule of law, exempt from paying the tax; and

(2) in the case of a band text that is harmonized with a text of law referred to in any of paragraphs 2 to 6 of section 541.47.1, the amount by which the amount determined in accordance with subparagraph *a* exceeds the amount determined in accordance with subparagraph *b*:

(a) the total of all amounts each of which is the amount of tax that, while the band text was in force, became payable in the calendar year under the band text,

(b) the total of all amounts each of which is included in the total determined in accordance with subparagraph *a* and that

i. is included in computing an input tax refund or in determining a deduction that may be claimed in computing a person's net tax,

ii. may reasonably be considered to be an amount that a person is or was entitled to recover by way of a rebate, refund, remission or otherwise under the band text, or

iii. is an amount of tax that a person is exempt from paying because of a federal Act, an Act of Québec or any other rule of law.

2010, c. 25, s. 252.

**541.47.6.** The agreement must also provide

(1) for the sharing, if any, between the Native community and the Government of the tax attributable to the Native community;

(2) for the payment, under the conditions in the agreement, by the Government to the Native community of sums to which the Native community is entitled under the agreement in respect of the tax attributable to the Native community;

(3) for the reimbursement by the Native community to the Government of any overpayments by the Government and for the right of the Government to set off any overpayments or advances against sums payable to the Native community in accordance with the agreement;

(4) for the attribution to the Government of sums that represent

(a) any share of the tax attributable to the Native community to which the Government is entitled as agreed, and

(b) in the case of a band text that is harmonized with the text of law referred to in paragraph 1 of section 541.47.1, the portion of the total tax imposed under the band text that is not included in the tax attributable to the Native community;

(5) subject to section 69.0.1 of the Tax Administration Act (chapter A-6.002), for the communication to the band council by the Minister of information held by the Minister for the purposes of the band text or of the text of law with which the band text is harmonized and for the communication to the Minister by the band council of information required for the purposes of the band text;

(6) for the manner in which to render an account of the sums collected in accordance with the agreement;

(7) for the undertaking by the Government, its departments, bodies and mandataries to comply with the obligations, including the payment of sums, imposed by the band text or by any other band text that is the subject of an agreement with the Government, to the extent that the Government, its departments, bodies and mandataries are subject to them in accordance with section 541.47.19, and for the undertaking of the Native community, its mandataries and subordinate bodies to comply with the obligations, including the payment of sums, imposed by the band text, by any other band text that is the subject of an agreement with the Government and by any other text of law with which they are harmonized;

(8) for the manner in which to render an account of the payments made by the Government and the band council under paragraph 7;

(9) for the procedure for the resolution of disputes relating to the application of the agreement;

(10) for the conditions for amending the agreement;

(11) for the conditions for the termination of the agreement, in particular if a provision of this Title or of the agreement has been violated;

(12) for the measures that apply upon termination of the agreement;

(13) for the date of coming into force of the band text; and

(14) for the date of coming into force of the agreement.

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2010, c. 25, s. 252; 2010, c. 31, s. 175.



**541.47.7.** The agreement must be signed by the Minister, the Minister of Finance, the minister responsible for the administration of Division III.2 of the Act respecting the Ministère du Conseil exécutif (chapter M-30) and the authorized body of the band council.

2010, c. 25, s. 252.

## CHAPTER IV

### BAND TEXT

2010, c. 25, s. 252.

## DIVISION I

### HARMONIZATION WITH TITLE I WITH RESPECT TO PROPERTY AND SERVICES

2010, c. 25, s. 252.

**541.47.8.** For the purposes of paragraph 2 of section 541.47.4, a band text is harmonized with the text of law referred to in paragraph 1 of section 541.47.1 and with the regulations made under it, if

- (1) it imposes a tax in a reserve in respect of
  - (a) a taxable supply made in the reserve in accordance with section 541.47.9 or 541.47.10,
  - (b) a taxable supply brought into Québec, made in the reserve in accordance with section 541.47.11, or
  - (c) a transfer, into the reserve from a place in Québec, of corporeal movable property, including a mobile or floating home, subject to the conditions in section 541.47.12; and
- (2) its provisions provide that
  - (a) Title I and the regulations made under it — except the provisions providing for a refund, rebate or tax exemption based on an exemption referred to in section 18 of the First Nations Goods and Services Tax Act (S.C. 2003, c. 15, s. 67), enacted by section 10 of chapter 19 of the Statutes of Canada of 2005 — are incorporated in the band text by open incorporation by reference and apply, with the necessary modifications, as if the tax imposed under subparagraphs *a* and *b* of paragraph 1 were imposed under section 16 or section 18 or 18.0.1, respectively, and, subject to paragraph 4 of section 541.47.12, as if the tax imposed under subparagraph *c* of paragraph 1 were imposed under section 17,
  - (b) the Tax Administration Act (chapter A-6.002) and the regulations made under it apply, with the necessary modifications, as if the band text were a fiscal law within the meaning of that Act,
  - (c) the rules in section 541.47.17 apply, and
  - (d) any amendment to this division arising from an amendment to Title I and to the regulations made under it applies as if it were made to the band text.

2010, c. 25, s. 252; 2010, c. 31, s. 175.

**541.47.9.** A supply (other than a taxable supply brought into Québec) is made in a reserve if

- (1) in addition to being deemed to be made in Québec in accordance with Title I, it would be deemed to be made in the reserve under a provision of Title I or of a regulation made under it that deems a supply to be made in Québec if the provision and any other provision required for its application were read as if “Québec” were replaced by “reserve”, with the necessary modifications; or

(2) the tax provided for in Title I would be payable in respect of the supply but for section 541.47.18, the connection of the supply with the reserve and the application of the exemption provided for in section 87 of the Indian Act (R.S.C. 1985, c. I-5).

2010, c. 25, s. 252.

**541.47.10.** Despite section 541.47.9, in the case of a supply by way of lease, licence or similar arrangement of a road vehicle made under an agreement under which continuous possession or use of the vehicle is provided for a period of more than three months, the supply is made in a reserve only if the road vehicle is registered in Québec and

(1) if the recipient is an individual, the recipient ordinarily resides in the reserve at the time the supply is made; and

(2) if the recipient is not an individual, the ordinary location of the vehicle, determined for the purposes of Title I at the time the supply is made, is in the reserve.

2010, c. 25, s. 252.

**541.47.11.** A taxable supply brought into Québec is made in a reserve if

(1) in the case of

(a) the supply of a service or incorporeal movable property described in subparagraph 1 or 2 of the first paragraph of section 18, the recipient of the supply is resident in the reserve and acquires the supply for consumption, use or supply to an extent of at least 10% in the reserve,

(b) the supply of a property described in subparagraph 3 of the first paragraph of section 18, physical possession of the property was transferred to the recipient of the supply in the reserve,

(c) the supply of a property described in subparagraph 3.1 of the first paragraph of section 18, physical possession of the property was transferred to a third person in the reserve,

(d) the supply of a property described in subparagraph 4 of the first paragraph of section 18, physical possession of the property was transferred to the recipient in the reserve,

(e) the supply of a property described in subparagraph 5 or 6 of the first paragraph of section 18, the recipient of the supply is resident in the reserve or is a registrant and the property is delivered or made available to the registrant in the reserve,

(f) the supply of a property described in any of subparagraphs 2.1, 7 and 8 of the first paragraph of section 18, the supply is made in the reserve in accordance with paragraph 1 of section 541.47.9, or

(g) the supply of an incorporeal movable property or a service described in the first paragraph of section 18.0.1, the recipient of the supply is resident in the reserve and acquires the supply for consumption, use or supply to an extent of at least 10% in the reserve; or

(2) the tax provided for in Title I would be payable in respect of the supply but for section 541.47.18, the connection of the supply with the reserve and the application of the exemption provided for in section 87 of the Indian Act (R.S.C. 1985, c. I-5).

2010, c. 25, s. 252; 2011, c. 1, s. 156; 2024, c. 11, s. 185.

**541.47.12.** The conditions for the imposition of a tax in respect of the transfer of a corporeal movable property into a reserve by a person from a place in Québec are the following:

(1) the tax applies to a property that was last supplied by way of sale to the person transferring the property or having it transferred (in this section referred to as the “transferor”), while an agreement on the band text imposing the tax was in force;

(2) the tax would have been payable in respect of the sale of the property under Title I at a rate other than 0% but for the application of the exemption provided for in section 87 of the Indian Act (R.S.C. 1985, c. I-5);

(3) the tax does not apply

(a) if, before the transfer of the property, a tax became payable by the transferor in respect of the property under another band text that is the subject of an agreement with a band council or under section 17, and

(b) to the exceptions provided for in subparagraphs 2 and 4 of the fourth paragraph of section 17 on the assumption that that section applies to the transfer described in subparagraph *c* of paragraph 1 of section 541.47.8;

(4) the tax is payable by the transferor of the property at the time of the transfer and the transferor shall,

(a) if the property is a property in respect of which the tax should be paid to a prescribed person in accordance with section 473 if section 17 applied to such a transfer, pay the tax to that person in accordance with section 473,

(b) if the transferor is a registrant and acquired the property, other than a property described in subparagraph *a*, for consumption, use or supply primarily in the course of commercial activities of the transferor, pay the tax to the Minister on or before the day on which the transferor is required to file, under the band text, a return in respect of net tax for the reporting period in which the tax became payable and report the tax in that return, and

(c) in any other case, pay the tax to the Minister on or before the last day of the month following the month in which it became payable and file a return in respect of the tax with and as prescribed by the Minister, in the prescribed form containing prescribed information; and

(5) the amount of the tax payable is equal to the amount determined by the formula

$A \times B$ .

For the purposes of that formula,

(1) *A* is the rate of the tax provided for in the first paragraph of section 17; and

(2) *B* is

(a) if the property that was last supplied by way of sale to the transferor was delivered to the transferor within 30 days before the day on which it was transferred, the value of the consideration on which the tax provided for in Title I in respect of the sale would have been calculated but for the application of the exemption provided for in section 87 of the Indian Act, and

(b) in any other case, the lesser of the fair market value of the property at the time the property is transferred and the value of the consideration referred to in subparagraph *a*.

2010, c. 25, s. 252.

## DIVISION II

### HARMONIZATION WITH TITLE I WITH RESPECT TO ALCOHOLIC BEVERAGES OR FUEL

2010, c. 25, s. 252.

**541.47.13.** For the purposes of paragraph 2 of section 541.47.4, a band text is harmonized with the text of law mentioned in paragraph 2 of section 541.47.1 and with the regulations made under it,

(1) if it imposes a tax in a reserve only in respect of a taxable supply of alcoholic beverages or fuel made in the reserve in accordance with section 541.47.14; and

(2) if its provisions provide that

(a) Title I and the regulations made under it — except the provisions providing for a refund, rebate or tax exemption based on an exemption referred to in section 18 of the First Nations Goods and Services Tax Act (Statutes of Canada, 2003, chapter 15, section 67), enacted by section 10 of chapter 19 of the Statutes of Canada of 2005 — are incorporated in the band text by open incorporation by reference and apply, with the necessary modifications, as if the tax imposed under paragraph 1 were imposed under Title I,

(b) the Tax Administration Act (chapter A-6.002) and the regulations made under it apply, with the necessary modifications, within the scope of the band text as if the text were a fiscal law within the meaning of that Act,

(c) the rules in section 541.47.17 apply, and

(d) any amendment to this division arising from an amendment to Title I and to the regulations made under it applies as if it were made to the band text.

2010, c. 25, s. 252; 2010, c. 31, s. 175.

**541.47.14.** A taxable supply of alcoholic beverages or fuel is made in a reserve if, without reference to section 541.47.18, the tax provided for in the first paragraph of section 16 is not payable in respect of the supply because of the connection of the supply with the reserve and because of the application of the exemption provided for in section 87 of the Indian Act (R.S.C. 1985, c. I-5), or would not be payable, for the same reasons, if the recipient of the supply was exempted from tax under that section.

2010, c. 25, s. 252.

## DIVISION III

### HARMONIZATION WITH OTHER TEXTS OF LAW

2010, c. 25, s. 252.

**541.47.15.** For the purposes of paragraph 2 of section 541.47.4, a band text is harmonized with any of the texts of law referred to in paragraphs 3 to 6 of section 541.47.1 and with the regulations made under it,

(1) if it imposes, in a reserve, a tax in respect of the acquisition of a property in the reserve or for an insurance premium referred to in that text of law under the conditions provided for in that text of law;

(2) if, without reference to section 541.47.18, the tax provided for in that text of law is not payable in respect of the acquisition of the property or the insurance premium because of the connection of the property or the premium with the reserve and because of the application of the exemption provided for in section 87 of the Indian Act (R.S.C. 1985, c. I-5), or would not be payable, for the same reasons, if the recipient of the property or the person that is subject to the tax on the premium was exempted from tax under that section; and

(3) if its provisions provide that

(a) the text of law and the regulations made under it — except the provisions providing for a refund, rebate or tax exemption based on an exemption referred to in section 18 of the First Nations Goods and Services Tax Act (S.C. 2003, c. 15, s. 67), enacted by section 10 of chapter 19 of the Statutes of Canada of 2005 — are incorporated in the band text by open incorporation by reference and apply, with the necessary modifications, as if the tax imposed under paragraph 1 were imposed under that text of law,

(b) the Tax Administration Act (chapter A-6.002) and the regulations made under it apply, with the necessary modifications, as if the band text were a fiscal law within the meaning of that Act,

(c) the rules in section 541.47.17 apply, and

(d) any amendment to this division arising from an amendment to the text of law and to the regulations made under it applies as if it were made to the band text.

For the purposes of subparagraph *a* of paragraph 3, a refund, rebate or tax exemption based on an exemption referred to in section 18 of the First Nations Goods and Services Tax Act also includes a reimbursement of the tax on fuel in accordance with section 10.2 of the Fuel Tax Act (chapter T-1).

2010, c. 25, s. 252; 2010, c. 31, s. 175.

## CHAPTER V

### PAYMENT

2010, c. 25, s. 252.

**541.47.16.** The Minister may, on behalf of the Government, take out of the Consolidated Revenue Fund the sums necessary to

(1) pay to a Native community the sums or advances to which the Native community is entitled in accordance with the agreement; and

(2) pay to a person, in accordance with the agreement,

(a) a sum that is payable to the person according to the band text, or

(b) a sum as a recoverable advance, if no sum is held on behalf of the Native community in the Consolidated Revenue Fund or if the sum to be paid under subparagraph *a* is greater than the sums so held, provided that their reimbursement by the Native community is provided for in the agreement.

2010, c. 25, s. 252.

## CHAPTER VI

### RULES OF APPLICATION

2010, c. 25, s. 252.

**541.47.17.** Once the agreement and the band text are in force, the following rules apply:

(1) the text of law with which the band text is harmonized applies as if the tax imposed under the band text were imposed under that text of law and as if the provisions of the band text respecting that tax were an integral part of the text of law and, conversely, the band text applies as if the tax imposed under the text of law with which it is harmonized were imposed under the band text and as if the provisions of that text of law respecting that tax were an integral part of the band text;

(2) to the extent of the parallelism between the band text and the text of law with which it is harmonized, the application of one text has the same force and effect as the application of the other text, with the result that the provisions of those texts are not both to be applied and may be invoked regardless of their source; and

(3) the other laws apply as if the tax imposed under the band text were imposed under the text of law with which it is harmonized.

2010, c. 25, s. 252.

**541.47.18.** Without restricting the generality of section 541.47.17, once the agreement and the band text are in force, no tax is payable or is deemed to have been paid or collected in respect of a supply, the acquisition of a property or an insurance premium under the text of law with which the band text is harmonized to the extent that, under the band text, a tax is payable or is deemed to have been paid or collected in respect of that supply, property or premium.

2010, c. 25, s. 252.

**541.47.19.** To the extent that the Government, its departments, bodies and mandataries are bound by a provision of the text of law with which the band text is harmonized, they are bound by the corresponding provision of the band text.

2010, c. 25, s. 252.

## TITLE IV.5

### SPECIFIC DUTY ON NEW TIRES

2000, c. 39, s. 289.

## CHAPTER I

### DEFINITIONS

2000, c. 39, s. 289.

**541.48.** For the purposes of this Title and the regulations made under it, unless the context indicates otherwise,

“commercial activity” has the meaning assigned by section 1;

“long term leasing” means leasing for a term of at least 12 months;

“new tire” does not include a retreaded or remoulded tire, but includes the spare tire in a road vehicle in respect of which the duty provided for by this Title has not already been paid;

“person” has the meaning assigned by section 1;

“reporting period” of a person is the reporting period of the person for the purposes of Title I;

“retailer” means a person who, in Québec and in the course of the person’s commercial activities, engages in a retail sale or retail leasing of a new tire or road vehicle equipped with new tires;

“retail leasing” means

(1) in the case of a tire, leasing for purposes other than re-leasing or installation on a road vehicle intended for long term leasing;

(2) in the case of a road vehicle, long term leasing for purposes other than long term re-leasing;

“retail sale” means

(1) in the case of a tire, a sale for purposes other than resale, leasing or installation on a road vehicle intended for sale or long term leasing;

- (2) in the case of a road vehicle, a sale for purposes other than resale or long term leasing;  
“road vehicle” has the meaning assigned by the Highway Safety Code (chapter C-24.2);  
“road vehicle equipped with new tires” means a road vehicle equipped with one or more new tires;  
“sale” includes any transfer for a consideration

(1) of the ownership of a tire or road vehicle;

(2) of the possession of a tire or road vehicle under an agreement to transfer the ownership of the tire or road vehicle;

“tire” means a road vehicle tire having a rim whose diameter is equal to or less than 62.23 centimetres and whose total diameter does not exceed 123.19 centimetres.

2000, c. 39, s. 289; 2021, c. 18, s. 222.

## CHAPTER II

### IMPOSITION OF A SPECIFIC DUTY

2000, c. 39, s. 289.

**541.49.** Every person shall, at the time of the retail sale or retail leasing, in Québec, of a new tire or road vehicle, pay to the Minister a specific duty per new tire the person purchases or leases or per new tire equipping the road vehicle the person purchases or leases that is equal to

(1) \$4.50, in the case of a new road vehicle tire having a rim whose diameter is equal to or less than 62.23 centimetres and whose total diameter is equal to or less than 83.82 centimetres; or

(2) \$6.00, in the case of a new road vehicle tire having a rim whose diameter is equal to or less than 62.23 centimetres and whose total diameter is greater than 83.82 centimetres but does not exceed 123.19 centimetres.

2000, c. 39, s. 289; 2024, c. 11, s. 186.

**541.50.** Every person who carries on business or ordinarily resides in Québec and brings or causes to be brought into Québec a new tire for use in Québec by the person, or at the person’s expense by another person, or for installation in Québec on a road vehicle intended for short term leasing shall, immediately after the bringing into Québec of the new tire, make a report to the Minister in prescribed form containing prescribed information and pay to the Minister a specific duty equal to the amount provided for in section 541.49 per new tire so brought in.

2000, c. 39, s. 289.

**541.51.** Every person who carries on business or ordinarily resides in Québec and purchases by way of a retail sale made outside Québec a new tire or a road vehicle equipped with new tires that is in Québec shall immediately make a report to the Minister in prescribed form containing prescribed information and pay to the Minister a specific duty equal to the amount provided for in section 541.49 per new tire so purchased or per new tire equipping the road vehicle the person purchases.

Every person who carries on business or ordinarily resides in Québec and leases, by way of a retail leasing agreement entered into outside Québec, a new tire or a road vehicle equipped with new tires that is in Québec, shall, immediately on signing the lease, make a report to the Minister in prescribed form containing prescribed information and pay to the Minister a specific duty equal to the amount provided for in section 541.49 per new tire so leased or per new tire equipping the road vehicle the person leases.

2000, c. 39, s. 289.

**541.52.** Where a person referred to in sections 541.50 and 541.51 has paid, in respect of a new tire, a duty of the same nature as the duty payable under this Title, imposed by another province, the Northwest Territories, the Yukon Territory or the Nunavut Territory, and has not obtained or is not entitled to obtain a rebate of such a duty, the specific duty that the person is required to pay under those sections shall be reduced by the amount of the duty of the same nature so paid.

2000, c. 39, s. 289.

**541.53.** Every person who has purchased or manufactured a new tire intended for sale or leasing or for installation on a road vehicle intended for sale or long term leasing shall, on the date on which the person begins to use the new tire in Québec for any other purpose or arranges for it to be so used at the person's expense by another person, make a report to the Minister in prescribed form containing prescribed information and pay to the Minister a specific duty equal to the amount provided for in section 541.49 per new tire purchased or manufactured and so used by the person or by the other person.

Every person who has leased a new tire for re-leasing or for installation on a road vehicle intended for long term leasing shall, on the date on which the person begins to use the road vehicle in Québec for any other purpose or arranges for it to be so used at the person's expense by another person, make a report to the Minister in prescribed form containing prescribed information and pay to the Minister a specific duty equal to the amount provided for in section 541.49 per new tire leased and so used by the person or by the other person.

Every person who has purchased or manufactured a road vehicle equipped with new tires for sale or long term leasing or has made a long term lease of a road vehicle equipped with new tires for long term re-leasing shall, on the date on which the person begins to use the road vehicle in Québec for any other purpose or arranges for it to be so used at the person's expense by another person, make a report to the Minister in prescribed form containing prescribed information and pay to the Minister a specific duty equal to the amount provided for in section 541.49 per new tire equipping such a vehicle.

For the purposes of this section, any new tire purchased or manufactured by a person is deemed to be purchased or manufactured for sale or leasing or for installation on a road vehicle intended for sale or long term leasing and any road vehicle equipped with new tires purchased or manufactured by a person is deemed to be intended for sale or long term leasing.

2000, c. 39, s. 289; 2001, c. 51, s. 310; 2021, c. 18, s. 223.

**541.54.** Every person required to pay the specific duty provided for in section 541.49 and has not paid the duty to the retailer shall immediately make a report to the Minister in prescribed form containing prescribed information and pay the specific duty to the Minister.

2000, c. 39, s. 289.

## CHAPTER III

### EXEMPTIONS

2000, c. 39, s. 289.

**541.55.** The specific duty provided for in this Title does not apply

(1) where a retailer delivers a new tire or a road vehicle equipped with new tires outside Québec, for use outside Québec;

(2) where a retailer delivers a new tire or a road vehicle equipped with new tires to a public carrier or shipping service, to be shipped outside Québec, on behalf of a purchaser or lessee not resident in Québec and not carrying on business in Québec, for use outside Québec.

2000, c. 39, s. 289.



## CHAPTER IV

### ADMINISTRATION

2000, c. 39, s. 289.

**541.56.** Every retailer shall collect, as mandatory of the Minister, the specific duty provided for in section 541.49 at the time of the sale or, in the case of leasing, at the time of the signing of the leasing contract.

That requirement does not apply to a sale or leasing to a person who has entered into an agreement under section 681, if that person is exempt from the payment of the specific duty at the time of the retail sale or retail leasing pursuant to the agreement.

The amount of duty shall be indicated separately from the sale price or rent on any invoice, writing or other document recording the sale or leasing and in the registers of the retailer. In addition, the duty shall be referred to by its name, an abbreviation of its name or a similar designation. No other form of reference to the duty may be used.

2000, c. 39, s. 289; 2002, c. 46, s. 35.

**541.57.** Every retailer shall keep an account of the specific duty the retailer has collected and shall, for each reporting period, where the retailer is required to file the return provided for in Division IV of Chapter VIII of Title I, render an account to the Minister of the specific duty the retailer has collected or should have collected during the particular reporting period, as prescribed by the Minister in prescribed form and containing prescribed information and, at the same time, remit to the Minister the amount of that duty.

The retailer shall render an account even if no sale or leasing giving rise to such a duty was engaged in during the particular reporting period.

2000, c. 39, s. 289; 2021, c. 18, s. 224.

**541.58.** Sections 447 and 449 apply, with the necessary modifications, where a retailer charges or collects an amount from a person as or on account of the duty provided for in section 541.49 that exceeds the amount of the duty the retailer was required to collect.

Where a retailer refunds to a person all of the sale price paid for a new tire or credits to the person the market value of such a tire, the retailer shall also refund or credit to the person the amount of the duty collected in respect of the tire.

The rule provided in the second paragraph applies to leasing, with the necessary modifications.

2000, c. 39, s. 289.

**541.59.** Every retailer required to collect the specific duty provided for in section 541.49 is required to hold a registration certificate issued under Title I that is in force at the time the retailer is required to collect the duty.

2000, c. 39, s. 289; 2021, c. 18, s. 225.

## CHAPTER V

*(Repealed)*

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2000, c. 39, s. 289; 2021, c. 18, s. 226.

### **541.60.** *(Repealed).*

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2000, c. 39, s. 289; 2021, c. 18, s. 226.

### **541.61.** *(Repealed).*

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2000, c. 39, s. 289; 2021, c. 18, s. 226.

### **541.62.** *(Repealed).*

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2000, c. 39, s. 289; 2010, c. 31, s. 175; 2021, c. 18, s. 226.

## CHAPTER VI

### MISCELLANEOUS PROVISIONS

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2000, c. 39, s. 289.

### **541.63.** *(Repealed).*

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2000, c. 39, s. 289; 2021, c. 18, s. 227.

### **541.64.** *(Repealed).*

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2000, c. 39, s. 289; 2021, c. 18, s. 227.

**541.65.** Every retailer not resident or not having a place of business in Québec shall designate to the Minister an agent resident in Québec and furnish the name and address of the agent.

The notification of any proceeding to that agent and the sending of any request or notice is deemed to be made to the person designated by the collection officer.

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2000, c. 39, s. 289; I.N. 2016-01-01 (NCCP); 2021, c. 18, s. 228.

**541.66.** The Minister shall pay to the Société québécoise de récupération et de recyclage, instituted by the Act respecting the Société québécoise de récupération et de recyclage (chapter S-22.01), the proceeds of the specific duty on new tires collected under this Title.

The payments shall be made by the Minister on the dates and in the manner agreed upon.

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2000, c. 39, s. 289.

### **541.67.** *(Repealed).*

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2000, c. 39, s. 289; 2021, c. 18, s. 229.

**541.68.** Every person who contravenes sections 541.50, 541.51, 541.53, 541.54, the third paragraph of section 541.56 or section 541.59 is liable to a fine of not less than \$200 nor more than \$5,000.

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2000, c. 39, s. 289; 2021, c. 18, s. 230.

**541.69.** Every person who, as mandatory of the Minister, refuses or neglects to collect the duty or the amount equal to the duty, to keep or render an account thereof or to remit the duty or amount to the Minister, in accordance with the provisions of this Title or with a regulatory provision referred to in paragraph 60 of section 677, is liable to a fine of not less than \$200 for each day that the offence continues.

2000, c. 39, s. 289.

## TITLE V

### REPEALING AND AMENDING PROVISIONS

#### THE RETAIL SALES TAX ACT

**542.** *(Amendment integrated into c. I-1, ss. 20.9.2.0.1-20.9.2.0.4).*

1991, c. 67, s. 542.

**543.** *(Amendment integrated into c. I-1, s. 20.9.2.3).*

1991, c. 67, s. 543.

**544.** *(Amendment integrated into c. I-1, ss. 20.9.3, 20.9.4).*

1991, c. 67, s. 544.

**545.** *(Amendment integrated into c. I-1, s. 20.9.5).*

1991, c. 67, s. 545.

**546.** *(Amendment integrated into c. I-1, s. 49).*

1991, c. 67, s. 546.

#### TOBACCO TAX ACT

**547.** *(Amendment integrated into c. I-2, s. 8).*

1991, c. 67, s. 547.

**548.** *(Amendment integrated into c. I-2, s. 11.1).*

1991, c. 67, s. 548.

**549.** *(Amendment integrated into c. I-2, s. 17.3).*

1991, c. 67, s. 549.

**550.** *(Amendment integrated into c. I-2, s. 17.5).*

1991, c. 67, s. 550.

**551.** *(Amendment integrated into c. I-2, s. 18).*

1991, c. 67, s. 551.

TAXATION ACT

**552.** *(Omitted).*

1991, c. 67, s. 552.

LICENSES ACT

**553.** *(Omitted).*

1991, c. 67, s. 553.

**554.** *(Amendment integrated into c. L-3, s. 79.11).*

1991, c. 67, s. 554.

**555.** *(Amendment integrated into c. L-3, s. 79.14).*

1991, c. 67, s. 555.

**556.** *(Amendment integrated into c. L-3, s. 79.15).*

1991, c. 67, s. 556.

ACT RESPECTING THE MINISTÈRE DU REVENU

**557.** *(Amendment integrated into c. M-31, s. 1.0.1).*

1991, c. 67, s. 557.

**558.** *(Amendment integrated into c. M-31, s. 11).*

1991, c. 67, s. 558.

**559.** *(Amendment integrated into c. M-31, s. 12).*

1991, c. 67, s. 559.

**560.** *(Amendment integrated into c. M-31, s. 13).*

1991, c. 67, s. 560.

**561.** *(Repealed).*

1991, c. 67, s. 561; 1992, c. 1, s. 248.

**562.** *(Amendment integrated into c. M-31, ss. 15-15.8).*

1991, c. 67, s. 562.

**563.** *(Amendment integrated into c. M-31, ss. 16.1-16.7).*

1991, c. 67, s. 563.

**564.** *(Amendment integrated into c. M-31, s. 17.1).*

1991, c. 67, s. 564.

**565.** *(Amendment integrated into c. M-31, s. 20).*

1991, c. 67, s. 565.

**566.** *(Amendment integrated into c. M-31, ss. 21, 21.1).*

1991, c. 67, s. 566.

**567.** *(Amendment integrated into c. M-31, s. 24).*

1991, c. 67, s. 567.

**568.** *(Amendment integrated into c. M-31, s. 24.0.1).*

1991, c. 67, s. 568.

**569.** *(Amendment integrated into c. M-31, ss. 25-25.4).*

1991, c. 67, s. 569.

**570.** *(Amendment integrated into c. M-31, s. 28).*

1991, c. 67, s. 570.

**571.** *(Repealed).*

1991, c. 67, s. 571; 1992, c. 1, s. 248.

**572.** *(Amendment integrated into c. M-31, s. 30.1).*

1991, c. 67, s. 572.

**573.** *(Amendment integrated into c. M-31, s. 31.1).*

1991, c. 67, s. 573.

**574.** *(Amendment integrated into c. M-31, s. 33).*

1991, c. 67, s. 574.

**575.** *(Amendment integrated into c. M-31, s. 34).*

1991, c. 67, s. 575.

**576.** *(Amendment integrated into c. M-31, s. 35.1).*

1991, c. 67, s. 576.

**577.** *(Amendment integrated into c. M-31, s. 36).*

1991, c. 67, s. 577.

**578.** *(Amendment integrated into c. M-31, s. 39).*

1991, c. 67, s. 578.

**579.** *(Amendment integrated into c. M-31, s. 39.1).*

1991, c. 67, s. 579.

**580.** *(Amendment integrated into c. M-31, ss. 46-48).*

1991, c. 67, s. 580.

**581.** *(Amendment integrated into c. M-31, s. 52).*

1991, c. 67, s. 581.

**582.** *(Amendment integrated into c. M-31, s. 53).*

1991, c. 67, s. 582.

**583.** *(Amendment integrated into c. M-31, s. 53.1).*

1991, c. 67, s. 583.

**584.** *(Amendment integrated into c. M-31, s. 58.2).*

1991, c. 67, s. 584.

**585.** *(Amendment integrated into c. M-31, s. 59).*

1991, c. 67, s. 585.

**586.** *(Amendment integrated into c. M-31, s. 59.0.2).*

1991, c. 67, s. 586.

**587.** *(Amendment integrated into c. M-31, s. 59.0.3).*

1991, c. 67, s. 587.

**588.** *(Amendment integrated into c. M-31, s. 59.2).*

1991, c. 67, s. 588.

**589.** *(Amendment integrated into c. M-31, s. 59.3).*

1991, c. 67, s. 589.

**590.** *(Amendment integrated into c. M-31, s. 59.5).*

1991, c. 67, s. 590.

**591.** *(Amendment integrated into c. M-31, s. 61.1).*

1991, c. 67, s. 591.

**592.** *(Repealed).*

1991, c. 67, s. 592; 1992, c. 1, s. 248.

**593.** *(Amendment integrated into c. M-31, s. 68).*

1991, c. 67, s. 593.

**594.** *(Amendment integrated into c. M-31, s. 68.0.1).*

1991, c. 67, s. 594.

**595.** *(Amendment integrated into c. M-31, s. 68.1).*

1991, c. 67, s. 595.

**596.** *(Amendment integrated into c. M-31, s. 69).*

1991, c. 67, s. 596.

**597.** *(Amendment integrated into c. M-31, s. 70).*

1991, c. 67, s. 597.

**598.** *(Amendment integrated into c. M-31, s. 81).*

1991, c. 67, s. 598.

**599.** *(Amendment integrated into c. M-31, s. 87).*

1991, c. 67, s. 599.

**600.** *(Amendment integrated into c. M-31, ss. 90-92).*

1991, c. 67, s. 600.

**601.** *(Amendment integrated into c. M-31, s. 93.2).*

1991, c. 67, s. 601.

**602.** *(Omitted).*

1991, c. 67, s. 602.

**603.** *(Amendment integrated into c. M-31, s. 94.2).*

1991, c. 67, s. 603.

**604.** *(Amendment integrated into c. M-31, s. 95).*

1991, c. 67, s. 604.

**605.** *(Amendment integrated into c. M-31, s. 95.1).*

1991, c. 67, s. 605.

**606.** *(Amendment integrated into c. M-31, s. 96).*

1991, c. 67, s. 606.

**607.** *(Amendment integrated into c. M-31, s. 97).*

1991, c. 67, s. 607.

#### ACT RESPECTING THE QUÉBEC PENSION PLAN

**608.** *(Amendment integrated into c. R-9, s. 63).*

1991, c. 67, s. 608.

FUEL TAX ACT

**609.** *(Amendment integrated into c. T-1, s. 2).*

1991, c. 67, s. 609.

**610.** *(Amendment integrated into c. T-1, s. 13).*

1991, c. 67, s. 610.

**611.** *(Amendment integrated into c. T-1, s. 14).*

1991, c. 67, s. 611.

**612.** *(Amendment integrated into c. T-1, s. 15).*

1991, c. 67, s. 612.

**613.** *(Amendment integrated into c. T-1, s. 34).*

1991, c. 67, s. 613.

**614.** *(Amendment integrated into c. T-1, s. 51.2).*

1991, c. 67, s. 614.

**615.** *(Amendment integrated into c. T-1, s. 56).*

1991, c. 67, s. 615.

BROADCAST ADVERTISING TAX ACT

**616.** *(Amendment integrated into c. T-2, s. 16).*

1991, c. 67, s. 616.

TELECOMMUNICATIONS TAX ACT

**617.** *(Amendment integrated into c. T-4, s. 14).*

1991, c. 67, s. 617.

**TITLE VI**

TRANSITIONAL PROVISIONS

**CHAPTER I**

INTERPRETATION

**618.** The provisions of Title I apply to this Title.

1991, c. 67, s. 618.



## CHAPTER II

### IMMOVABLE

#### DIVISION I

##### TRANSFER BEFORE 1 JULY 1992

**619.** No tax is payable in respect of a taxable supply of an immovable by way of sale the ownership or possession of which is transferred before 1 July 1992 under the agreement for the supply.

1991, c. 67, s. 619.

#### DIVISION II

##### SUPPLY UNDER AN AGREEMENT ENTERED INTO BEFORE 30 AUGUST 1990

**620.** Where, under an agreement in writing entered into before 30 August 1990 between a supplier and an individual, a taxable supply by way of sale in Québec of a single unit residential complex is made to the individual, ownership and possession of the residential complex are not transferred to the individual under the agreement before 1 July 1992 and possession of the residential complex is transferred to the individual under the agreement at any time after 30 June 1992, the following rules apply:

- (1) no tax is payable by the individual in respect of the supply;
- (2) section 223 does not apply in respect of the residential complex before possession thereof is transferred to the individual;
- (3) where the individual is a builder of the residential complex by reason only of paragraph 4 of the definition of “builder”, the individual is deemed not to be a builder of the residential complex and, for the purpose of determining whether any other person who, after that time, makes a supply of the complex or an interest therein is a builder of the complex, the complex is deemed to have been occupied at that time by an individual as a place of residence;
- (4) for the purposes of Division II of Chapter VI, the residential complex is deemed not to be a specified single unit residential complex; and
- (5) the supplier is not entitled to an input tax refund in respect of the supply of property or services required for completion of the work after 30 June 1992.

1991, c. 67, s. 620; 1994, c. 22, s. 631.

**621.** Where, under an agreement in writing entered into before 30 August 1990 between a supplier and a person, a taxable supply by way of sale in Québec of a unit held in co-ownership is made to the person, ownership and possession of the unit are not transferred to the person under the agreement before 1 July 1992 and possession of the unit is transferred to the person under the agreement at any time after 30 June 1992, the following rules apply:

- (1) no tax is payable by the person in respect of the supply;
- (2) section 223 does not apply in respect of the unit before possession thereof is transferred to the person;
- (3) where the person is a builder of the unit by reason only of paragraph 4 of the definition of “builder”, the person is deemed not to be a builder of the unit and, for the purpose of determining whether any other person who, after that time, makes a supply of the unit or an interest therein is a builder of the unit, the declaration of co-ownership relating to the residential complex held in co-ownership in which the unit is located is deemed to have been entered in the land register at that time and the unit is deemed to have been occupied at that time by an individual as a place of residence;

(4) for the purposes of Division II of Chapter VI, the unit is deemed not to be a specified residential complex; and

(5) the supplier is not entitled to an input tax refund in respect of the supply of property or services required for completion of the work after 30 June 1992.

1991, c. 67, s. 621; 1994, c. 22, s. 632; 1997, c. 3, s. 135.

**622.** Where, under an agreement in writing entered into before 30 August 1990 between a supplier and a person, a taxable supply by way of sale in Québec of a residential complex held in co-ownership is made to the person, ownership and possession of the complex are not transferred to the person under the agreement before 1 July 1992 and ownership of the complex is transferred to the person under the agreement or a declaration of co-ownership relating to the complex is entered in the land register at any time after 30 June 1992, the following rules apply:

(1) no tax is payable by the person in respect of the supply;

(2) section 223 does not apply in respect of a unit held in co-ownership situated in the residential complex before ownership of the complex is transferred to the person;

(3) where the person is a builder of the residential complex by reason only of paragraph 4 of the definition of “builder”, the person is deemed not to be a builder of the residential complex or a unit held in co-ownership situated in the residential complex and, for the purpose of determining whether any other person who, after that time, makes a supply of the complex, a unit held in co-ownership situated in the residential complex or an interest in the complex or unit is a builder of the complex or of any unit situated in the complex, the declaration of co-ownership relating to the residential complex is deemed to have been entered in the land register at that time and each of the units is deemed to have been occupied at that time by an individual as a place of residence;

(4) for the purposes of Division II of Chapter VI, a unit held in co-ownership situated in the residential complex is deemed not to be a specified residential complex; and

(5) the supplier is not entitled to an input tax refund in respect of the supply of property or services required for completion of the work after 30 June 1992.

1991, c. 67, s. 622; 1994, c. 22, s. 633; 1997, c. 3, s. 135.

**622.1.** For the purposes of section 622.2,

“offering memorandum”, in respect of an offer to sell interests in a partnership that is a limited partnership (in this section and in section 622.2 referred to as the “limited partnership”) to a prospective subscriber, means one or more documents in writing setting out

(1) all facts concerning the limited partnership and its activities or proposed activities that significantly affect, or could reasonably be expected to have a significant effect on, the value of those interests;

(2) the price at which those interests are being offered; and

(3) the date on which ownership of the interests is to be transferred to persons who subscribe to the offering;

“subscription price”, for an interest in a limited partnership, means the consideration payable in respect of the interest as set out in the offering memorandum.

1997, c. 85, s. 714.

**622.2.** The rules set out in the second paragraph apply where

(1) an offering memorandum in respect of an offer to sell interests in a limited partnership is issued to prospective subscribers before 30 August 1990;

(2) at the time the offering memorandum is issued, it is proposed that the limited partnership will exclusively engage in the activities of acquiring land or a beneficial interest therein, constructing a complex held in co-ownership on the land, owning residential units held in co-ownership located in the complex and making a supply of those units by way of lease, licence or similar arrangement for the purpose of their occupancy by individuals as places of residence;

(3) the offering memorandum does not provide for an increase in the subscription prices of the interests because of a change in the application of taxes and the subscription prices are not increased from 30 August 1990 until the date on which the offer to sell the interests expires;

(4) a particular interest in the limited partnership is transferred to a subscriber before 1 July 1992 in accordance with the offering memorandum;

(5) the limited partnership, whether or not in concert with another person, acquires land or a beneficial interest therein before 1 July 1992 and engages a person to construct a complex held in co-ownership on that land under agreements in writing entered into before 30 August 1990 or under agreements in writing entered into after 29 August 1990 that substantially conform with terms and conditions relating to those agreements as set out in the offering memorandum;

(6) the particular interest in the limited partnership relates to a residential unit held in co-ownership that is owned by the limited partnership and is located in the complex held in co-ownership; and

(7) possession of the particular residential unit held in co-ownership is transferred after 30 June 1992 to a person under a lease, licence or similar arrangement for the purpose of its occupancy by an individual as a place of residence.

The rules to which the first paragraph refers are as follows:

(1) the amount of tax that is payable and collectible by the limited partnership and the amount of tax deemed to have been paid and collected by the limited partnership under subparagraph 2 of the first paragraph of section 223, in respect of the supply of the particular residential unit held in co-ownership that is deemed to have been made under subparagraph 1 of the first paragraph of section 223, are deemed to be nil;

(2) for the purposes of Division II of Chapter VI, a residential unit held in co-ownership located in the residential complex is deemed not to be a particular residential complex; and

(3) the limited partnership is not entitled to an input tax refund in respect of the supply of property or services required for completion of the work after 30 June 1992.

1997, c. 85, s. 714.

### **DIVISION III**

#### **SUPPLY UNDER A CONTRACT RELATING TO AN IMMOVABLE OR A SHIP**

**623.** Where a taxable supply is made under a contract to construct, renovate, alter or repair an immovable or a ship or other marine vessel, the following rules apply:

(1) any consideration for the supply that became due or was paid without becoming due after 31 August 1990 and before 1 July 1992 as a progress payment required under the contract is deemed, for the purposes of Title I and of this Title, to have become due on 1 July 1992 and not to have been paid before 1 July 1992;

(2) no tax is payable in respect of any part of the consideration for the supply that may reasonably be attributed to property delivered and services performed under the contract before 1 July 1992; and

(3) where paragraph 3 of section 86 applies in respect of the supply, tax is payable in respect thereof and the construction, renovation, alteration or repair is substantially completed before 1 June 1992, the

construction, renovation, alteration or repair is deemed, for the purposes of Title I and of this Title, to have been substantially completed on 1 June 1992 and not before that day.

1991, c. 67, s. 623.

### CHAPTER III

#### MOVABLE PROPERTY

##### DIVISION I

###### SUPPLY BY WAY OF SALE

**624.** Where a supply by way of sale of movable property is made under an agreement entered into before 1 July 1992, no tax under Title I is payable in respect of the supply to the extent that tax payable under Chapter II of the Retail Sales Tax Act (chapter I-1) applies in respect of the sale of the property.

1991, c. 67, s. 624.

##### DIVISION II

###### SUPPLY BY WAY OF LEASE, LICENCE OR SIMILAR ARRANGEMENT

**625.** Where a taxable supply of movable property in respect of which tax under Chapter II of the Retail Sales Tax Act (chapter I-1) applies is made in Québec by way of lease, licence or similar arrangement under an agreement entered into before 1 July 1992, any payment of consideration for the supply that became due before 1 July 1992 or that was paid before 1 July 1992 without becoming due, to the extent that the payment is rent, royalty or a similar payment attributable to a period after 30 June 1992, is deemed to have become due on 1 July 1992 and not to have been paid before 1 July 1992.

In addition, where tax under Chapter II of the Retail Sales Tax Act was paid and relates to consideration that is rent, royalty or a similar payment attributable to a period after 30 June 1992, the tax is deemed to have been paid and remitted on 1 July 1992 under this Act.

1991, c. 67, s. 625.

**626.** Where a taxable supply of movable property in respect of which tax under Chapter II of the Retail Sales Tax Act (chapter I-1) applies is made in Québec by way of lease, licence or similar arrangement under an agreement entered into before 1 July 1992, no tax under Title I is payable in respect of the consideration for the supply to the extent that the consideration is rent, royalty or a similar payment attributable to a period before 1 July 1992.

1991, c. 67, s. 626.

**627.** Where a taxable supply of property in respect of which tax under Chapter II of the Retail Sales Tax Act (chapter I-1) does not apply is made in Québec by way of lease, licence or similar arrangement under an agreement entered into before 1 July 1992, any payment of consideration for the supply that became due after 30 April 1992 and before 1 July 1992 or that was made after 30 April 1992 and before 1 July 1992 without becoming due, to the extent that the payment is rent, royalty or a similar payment attributable to a period after 30 June 1992, is deemed to have become due on 1 July 1992 and not to have been paid before 1 July 1992.

Where the supplier is a registrant, tax is payable in respect of the amount of consideration so deemed to have become due.

1991, c. 67, s. 627.

**628.** Where a taxable supply of incorporeal movable property by way of licence or similar arrangement is made in Québec to a person other than a consumer by a supplier in the ordinary course of a business, to the

extent that any consideration for the supply that became due after 31 August 1990 and before 1 May 1992 or that was paid after 31 August 1990 and before 1 May 1992 without becoming due is royalty or a similar payment attributable to a period after 30 June 1992, tax is payable in respect of that consideration.

The person shall file with and as prescribed by the Minister a return in prescribed form containing prescribed information and remit the tax in respect of that consideration to the Minister on or before 1 October 1992.

This section does not apply in respect of a supply of property to be used in Québec exclusively in commercial activities of the person and in respect of which the person would be entitled to claim an input tax refund if the person had paid tax under the first paragraph in respect of the property.

1991, c. 67, s. 628; 1993, c. 19, s. 246.

**629.** Where a taxable supply of property in respect of which tax under Chapter II of the Retail Sales Tax Act (chapter I-1) does not apply is made in Québec by way of lease, licence or similar arrangement under an agreement entered into before 1 July 1992, no tax is payable in respect of the consideration for the supply that became due before 1 November 1992 or that was paid before 1 November 1992 without becoming due, to the extent that the consideration is rent, royalty or a similar payment attributable to a period before 1 July 1992.

1991, c. 67, s. 629.

**630.** Sections 627 to 629 do not apply in respect of payments of consideration for the use of, or the right to use, incorporeal movable property where the amount of the consideration is not dependent on the amount of the use of or production from, or the profit from the use of or production from, the property.

1991, c. 67, s. 630.

**631.** Where, under an agreement in writing entered into before 30 August 1990, a supply is made by way of lease of corporeal movable property that is capital property of the supplier, or by way of sub-lease of corporeal movable property that is capital property of the person who supplied the property by way of lease to the sub-lessor, and in respect of which the tax provided for in Chapter II of the Retail Sales Tax Act (chapter I-1) does not apply, no tax is payable in respect of any consideration for the supply.

For the purposes of the first paragraph, where an agreement in writing is renewed after 29 August 1990, or is varied or altered after 29 August 1990 to vary or alter the term of the agreement or the property affected by the agreement, the agreement is deemed to have been entered into after that date.

1991, c. 67, s. 631; 1995, c. 1, s. 343; 1995, c. 63, s. 506.

### **DIVISION III**

#### **SUPPLY OF A SUBSCRIPTION TO A MAGAZINE**

**632.** No tax is payable in respect of any consideration for a taxable supply of a subscription to a magazine that is paid before 1 July 1992.

1991, c. 67, s. 632.

### **DIVISION IV**

#### **RETURN AND EXCHANGE OF MOVABLE PROPERTY**

**633.** Where a person purchased movable property before 1 July 1992 and, at that time, paid tax under Chapter II of the Retail Sales Tax Act (chapter I-1) at the rate of 8% and, after 30 June 1992 and before 1 August 1992, returned the property to the vendor to exchange it for other movable property, the following rules apply:

(1) where the consideration for the other property is equal to the sale price of the returned property, notwithstanding section 20.9.2 of the Retail Sales Tax Act, the person may not apply for a refund of the tax paid upon purchasing the returned property and tax under section 16 does not apply in respect of the supply of the other property; and

(2) where the vendor refunds the purchaser for part of the sale price of the returned property, tax under section 16 does not apply in respect of the supply of the other property.

1991, c. 67, s. 633.

**634.** Where a person purchased movable property before 1 July 1992 and tax under Chapter II of the Retail Sales Tax Act (chapter I-1) did not apply at the time of the purchase and, after 30 June 1992 and before 1 August 1992, the person returned the property to exchange it for other movable property, tax under section 16 does not apply in respect of the purchase of the other property if the exchange is invoiced or paid for before 1 November 1992.

1991, c. 67, s. 634.

**635.** Where, before 1 July 1992, a person purchased movable property and, after 30 June 1992 and before 1 August 1992, the person returned the property to the vendor to exchange it for other movable property, and the consideration for the other property exceeds the sale price of the returned property, the person shall pay tax under section 16 but only on the excess amount and, notwithstanding section 20.9.2 of the Retail Sales Tax Act (chapter I-1), the person is not entitled to a refund of the tax paid upon purchasing the returned property, if any.

1991, c. 67, s. 635.

**635.1.** Where a person received before 13 May 1994 a taxable supply of movable property in respect of which the person paid tax under section 16 at the rate of 8% or 4%, as the case may be, the person returns the property to the supplier after 12 May 1994 to exchange it for other movable property and the consideration for the supply of the other property is equal to the consideration for the supply of the returned property, the following rules apply:

(1) the person is not entitled to a refund of the tax paid in respect of the supply of the returned property; and

(2) tax under section 16 does not apply in respect of the supply of the other property.

1995, c. 1, s. 344.

**635.2.** Where a person received before 13 May 1994 a taxable supply of movable property in respect of which the person paid tax under section 16 at the rate of 8% or 4%, as the case may be, the person returns the property to the supplier after 12 May 1994 to exchange it for other movable property and the supplier refunds or credits to the person a part of the consideration for the supply of the returned property, the following rules apply:

(1) the person is entitled to obtain from the supplier a refund of the tax paid in respect of the part of the consideration for the supply of the returned property so refunded or credited and the supplier shall refund the tax to the person; and

(2) tax under section 16 does not apply in respect of the supply of the other property.

1995, c. 1, s. 344.

**635.3.** Where a person received before 13 May 1994 a taxable supply of movable property in respect of which the person paid tax under section 16 at the rate of 8% or 4%, as the case may be, the person returns the property to the supplier after 12 May 1994 to exchange it for other movable property and the consideration for

the supply of the other property exceeds the consideration for the supply of the returned property, the following rules apply:

(1) the person is not entitled to a refund of the tax paid in respect of the supply of the returned property; and

(2) the person shall pay tax under section 16 but only on that part of the consideration for the supply of the other property which exceeds the consideration for the supply of the returned property.

1995, c. 1, s. 344.

**635.4.** Where a person received before 13 May 1994 a taxable supply of movable property in respect of which the person paid tax under section 16 at the rate of 8% or 4%, as the case may be, the person returns the property to the supplier after 12 May 1994 without exchanging it for other movable property and the supplier refunds or credits to the person the consideration for the supply of the returned property, or a part thereof, the person is entitled to obtain from the supplier a refund of the tax paid in respect of the consideration or the part thereof so refunded or credited and the supplier shall refund the tax to the person.

This section does not apply in respect of a supply of movable property in respect of which tax under section 16 was paid at the rate of 8% where it may reasonably be regarded that the purpose sought by the person having received the supply and the supplier having made it is to allow the person to receive a new supply, similar to the initial supply, in respect of which tax under section 16 is payable at the rate of 6.5%.

1995, c. 1, s. 344.

**635.5.** Where a supplier refunds all or part of the tax paid by a person in respect of a supply (in this section referred to as the “amount of tax”) to that person under section 635.2 or 635.4, the following rules apply:

(1) the amount of tax may be deducted in determining the net tax of the supplier for the reporting period of the supplier in which the refund is made, to the extent that the amount of tax has been included in determining the net tax of the supplier for the period or a preceding reporting period of the supplier; and

(2) the amount of tax shall be added in determining the net tax of the person for the reporting period of the person in which the refund is made, to the extent that the amount of tax has been included in determining the input tax refund of the person claimed in the return filed for the period or a preceding reporting period of the person.

1995, c. 1, s. 344.

**635.6.** Where a person received before 1 August 1995 a non-taxable supply of movable property, the person returns the property to the supplier after 31 July 1995 to exchange it for other movable property and the consideration for the supply of the other property is equal to or less than the consideration for the supply of the returned property, no tax is payable under section 16 in respect of the supply of the other property.

1995, c. 63, s. 507.

**635.7.** Where a person received before 1 August 1995 a non-taxable supply of movable property, the person returns the property to the supplier after 31 July 1995 to exchange it for other movable property and the consideration for the supply of the other property exceeds the consideration for the supply of the returned property, the person shall pay tax under section 16 only on the portion of the consideration for the supply of the other property that exceeds the consideration for the supply of the returned property.

1995, c. 63, s. 507.

**635.8.** Where a person received before 1 January 1998 a taxable supply of movable property in respect of which the person paid tax under section 16 at the rate of 6.5%, the person returns the property to the supplier

after 31 December 1997 to exchange it for other movable property and the consideration for the supply of the other property is equal to the consideration for the supply of the returned property, the following rules apply:

(1) the person is not entitled to a refund of the tax paid in respect of the supply of the returned property; and

(2) tax under section 16 does not apply in respect of the supply of the other property.

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1997, c. 85, s. 715.

**635.9.** Where a person received before 1 January 1998 a taxable supply of movable property in respect of which the person paid tax under section 16 at the rate of 6.5%, the person returns the property to the supplier after 31 December 1997 to exchange it for other movable property and the consideration for the supply of the other property exceeds the consideration for the supply of the returned property, the following rules apply:

(1) the person is not entitled to a refund of the tax paid in respect of the supply of the returned property; and

(2) the person shall pay tax under section 16 but only on that part of the consideration for the supply of the other property which exceeds the consideration for the supply of the returned property.

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1997, c. 85, s. 715.

**635.10.** Where a person received before 1 January 2011 a taxable supply of movable property in respect of which the person paid tax under section 16 at the rate of 7.5%, the person returns the property to the supplier after 31 December 2010 to exchange it for other movable property and the consideration for the supply of the other property is equal to the consideration for the supply of the returned property, the following rules apply:

(1) the person is not entitled to a refund of the tax paid in respect of the supply of the returned property; and

(2) tax under section 16 does not apply in respect of the supply of the other property.

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2011, c. 1, s. 157.

**635.11.** Where a person received before 1 January 2011 a taxable supply of movable property in respect of which the person paid tax under section 16 at the rate of 7.5%, the person returns the property to the supplier after 31 December 2010 to exchange it for other movable property and the consideration for the supply of the other property exceeds the consideration for the supply of the returned property, the following rules apply:

(1) the person is not entitled to a refund of the tax paid in respect of the supply of the returned property; and

(2) the person shall pay tax under section 16 but only on that part of the consideration for the supply of the other property which exceeds the consideration for the supply of the returned property.

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2011, c. 1, s. 157.

**635.12.** Where a person received before 1 January 2012 a taxable supply of movable property in respect of which the person paid tax under section 16 at the rate of 8.5%, the person returns the property to the supplier after 31 December 2011 to exchange it for other movable property and the consideration for the supply of the other property is equal to the consideration for the supply of the returned property, the following rules apply:

(1) the person is not entitled to a refund of the tax paid in respect of the supply of the returned property; and



- (2) tax under section 16 does not apply in respect of the supply of the other property.

2011, c. 6, s. 287.

**635.13.** Where a person received before 1 January 2012 a taxable supply of movable property in respect of which the person paid tax under section 16 at the rate of 8.5%, the person returns the property to the supplier after 31 December 2011 to exchange it for other movable property and the consideration for the supply of the other property exceeds the consideration for the supply of the returned property, the following rules apply:

- (1) the person is not entitled to a refund of the tax paid in respect of the supply of the returned property; and

- (2) the person shall pay tax under section 16 but only on that part of the consideration for the supply of the other property which exceeds the consideration for the supply of the returned property.

2011, c. 6, s. 287.

## **DIVISION V**

### **ADVANCE COLLECTION IN RESPECT OF ALCOHOLIC BEVERAGES**

**636.** Any amount equal to the specific tax, collected under Chapter II.1 of the Retail Sales Tax Act (chapter I-1) in respect of the sale of an alcoholic beverage after 30 June 1992, is deemed to be an amount equal to the specific tax, collected under Chapter V of Title II.

1991, c. 67, s. 636.

## **CHAPTER IV**

### **SERVICE**

## **DIVISION I**

### **GENERAL RULES**

**637.** No tax is payable in respect of the consideration for the supply of a service in respect of which tax under Chapter II of the Retail Sales Tax Act (chapter I-1) does not apply, that was paid or became due before 1 November 1992, if all or substantially all of the service was performed before 1 July 1992.

1991, c. 67, s. 637.

**638.** No tax is payable in respect of the consideration that was paid or became due before 1 November 1992 for the supply of a service in respect of which tax under Chapter II of the Retail Sales Tax Act (chapter I-1) does not apply if all or substantially all of the service was not performed before 1 July 1992, to the extent that the consideration relates to any part of the service that was performed before 1 July 1992.

1991, c. 67, s. 638.

**639.** Subject to section 647, consideration for the taxable supply of a service, other than a transportation service, in respect of which tax under Chapter II of the Retail Sales Tax Act (chapter I-1) does not apply is deemed to have become due on 1 July 1992 and not to have been paid before 1 July 1992 if the consideration is paid after 30 April 1992 but before 1 July 1992 without having become due or becomes due after 30 April 1992 but before 1 July 1992.

1991, c. 67, s. 639; 1994, c. 22, s. 634.

**640.** Subject to sections 637 and 647, where a taxable supply of a service, other than a transportation service, in respect of which tax under Chapter II of the Retail Sales Tax Act (chapter I-1) does not apply is made in Québec to a person other than a consumer by a supplier in the ordinary course of a business, to the extent that any consideration became due or was paid without having become due after 31 August 1990 and before 1 May 1992 for any of the service that was not performed before 1 July 1992, tax is payable in respect of that consideration.

The person shall file with and as prescribed by the Minister a return in prescribed form containing prescribed information and remit the tax in respect of that consideration to the Minister on or before 1 October 1992.

This section does not apply in respect of a supply of a service to be used in Québec exclusively in commercial activities of the person and in respect of which the person would be entitled to claim an input tax refund if the person had paid tax under the first paragraph in respect of the service.

1991, c. 67, s. 640; 1993, c. 19, s. 247; 1994, c. 22, s. 635; 1995, c. 63, s. 508.

**641.** For the purposes of this Title, a supply of a membership in a club, an organization or an association and a supply of an admission in respect of a place of amusement, a seminar, an activity or an event are deemed to be supplies of a service.

However, a supply of a right to acquire a membership in a club, an organization or an association is deemed to be a supply of property.

1991, c. 67, s. 641.

**642.** Notwithstanding sections 637 to 639, where a supply of a membership is made, to the extent that the total of all amounts that were paid after 30 April 1992 and before 1 July 1992 as or on account of consideration for the supply exceeds 25% of the total consideration for the supply, the consideration is deemed to have become due on 1 July 1992 and not to have been paid before 1 July 1992.

The supply of a membership referred to in the first paragraph is a supply made to an individual for the lifetime of the individual or to a person other than an individual for the lifetime of an individual designated by the person.

1991, c. 67, s. 642.

**643.** Sections 637 to 639 and 641 do not apply to any supply in respect of which sections 651 to 654 apply.

1991, c. 67, s. 643.

**643.1.** No tax is payable in respect of the consideration for a supply of a legal service to the extent that the consideration relates to any part of the service that was performed before 1 July 1992 and, under the agreement for the supply, does not become due

(1) until allowed, directed or ordered by a court; or

(2) until the completion or termination of the service provided by the supplier.

1994, c. 22, s. 636.

**643.2.** No tax is payable in respect of the consideration for a supply of a service of a personal representative in respect of the administration of a succession, or a service of a trustee, receiver or liquidator, to the extent that the consideration relates to any part of the service that was performed before 1 July 1992 and does not become due

(1) in the case of the service of a personal representative, until it is approved by all beneficiaries of the succession or in accordance with the terms of the trust binding the personal representative;

(2) in the case of the service of a trustee, until a date determined under the terms of the trust or an agreement in writing for the supply; or

(3) in any case, until it is allowed, directed or ordered by a court.

1994, c. 22, s. 636.

**643.3.** For the purposes of sections 643.1 and 643.2, where substantially all of a service is performed before 1 July 1992, all of the service is deemed to have been performed before 1 July 1992.

1994, c. 22, s. 636.

## **DIVISION II**

### **ADVERTISEMENT**

**644.** No tax under Title I is payable in respect of any consideration for the supply of an advertisement broadcast before 1 July 1992 in respect of which tax under the Broadcast Advertising Tax Act (chapter T-2) applies.

1991, c. 67, s. 644.

## **DIVISION III**

### **TELECOMMUNICATION SERVICE**

**645.** No tax under Title I is payable in respect of consideration for the supply of a telecommunication service in respect of which tax under the Telecommunications Tax Act (chapter T-4) applies, sent or received before 1 July 1992, and no tax is payable in respect of the supply of such a telecommunication service to the extent that the consideration is rent attributable to a period before 1 July 1992.

1991, c. 67, s. 645.

## **CHAPTER V**

### **PROPERTY AND SERVICE**

## **DIVISION I**

### **CONTINUOUS SUPPLY**

**646.** Sections 647 to 650 and 654 apply only in respect of a supply of property or a service delivered, performed or made available, as the case may be, on a continuous basis by means of a wire, pipeline or other conduit.

1991, c. 67, s. 646.

**647.** No tax is payable in respect of a supply of property or a service in respect of which tax under Chapter II of the Retail Sales Tax Act (chapter I-1) does not apply that is delivered, performed or made available, as the case may be, to the recipient before 1 July 1992, to the extent that consideration is paid or becomes due before 1 November 1992.

1991, c. 67, s. 647.

**648.** Tax is payable in respect of any consideration for a taxable supply in Québec of property or a service in respect of which tax under Chapter II of the Retail Sales Tax Act (chapter I-1) does not apply, that becomes due after 31 October 1992 or that is paid after 31 October 1992 without becoming due, at a time when the supplier is a registrant, regardless of when the property or service is delivered, performed or made available, as the case may be.

1991, c. 67, s. 648.

**649.** Any consideration for the taxable supply in Québec of property or a service in respect of which tax under Chapter II of the Retail Sales Tax Act (chapter I-1) would apply were it not for section 546, that becomes due before 1 July 1992 or that is paid before that date without becoming due, is deemed to become due on 1 July 1992, to the extent that the property or service is delivered, performed or made available to the recipient, as the case may be, after 30 June 1992.

1991, c. 67, s. 649.

**650.** No tax under Title I is payable in respect of a supply of property or a service in respect of which tax under Chapter II of the Retail Sales Tax Act (chapter I-1) applies, that is delivered, performed or made available to the recipient, as the case may be, before 1 July 1992.

1991, c. 67, s. 650.

## **DIVISION II**

### **BUDGET PAYMENT ARRANGEMENT**

**651.** Where a supply of property or a service, other than a subscription to a magazine, is made and consideration for the supply of the property or service delivered, performed or made available during any period beginning before 1 July 1992 and ending after 30 June 1992 is paid by the recipient under a budget payment arrangement with a reconciliation of the payments to take place at or after the end of the period and before 1 July 1993, at the time the supplier issues an invoice for the reconciliation of the payments, the supplier shall determine the positive or negative amount determined by the formula

$A - B.$

For the purposes of this formula,

(1) A is the tax that would be payable by the recipient for the part of the property or service supplied during the period that is delivered, performed or made available, as the case may be, after 30 June 1992, if consideration therefor had become due and been paid after 30 June 1992; and

(2) B is the total tax payable by the recipient in respect of the supply of the property or service delivered, performed or made available, as the case may be, during the period.

1991, c. 67, s. 651.

**652.** Where the amount determined under section 651 in respect of a supply of property or a service is a positive amount and the supplier is a registrant, the supplier shall collect, and is deemed to have collected on the day the invoice for the reconciliation of payments is issued, that amount from the recipient as tax.

1991, c. 67, s. 652.

**653.** Where the amount determined under section 651 in respect of a supply of property or a service is a negative amount and the supplier is a registrant, the supplier shall refund or credit that amount to the recipient and issue a credit note for that amount in accordance with section 449.

1991, c. 67, s. 653.

## **DIVISION III**

### **RULES APPLICABLE TO DIVISIONS I AND II**

**654.** For the purposes of Divisions I and II, where a supply of property or a service, during any period for which the supplier issues an invoice for the supply, is made and, by reason of the method of recording the delivery of the property or the provision of the service, the time at which the property or a part thereof is delivered or the time at which the service or a part thereof is provided cannot reasonably be determined, an equal part of the whole of the property delivered or of the whole of the service provided in the period is deemed to have been delivered or provided, as the case may be, on each day of the period.

1991, c. 67, s. 654.

**655.** Sections 640, 647 and 648 do not apply to a supply in respect of which Division II applies.

1991, c. 67, s. 655.

## **DIVISION IV**

### **SUPPLY OF FUNERAL SERVICES AND SEPULTURES**

**656.** No tax under Title I is payable by a person to whom a supply of property or a service is made under a prearranged funeral services contract or a prepurchased sepulture contract entered into before 1 May 1992.

For the purposes of the first paragraph, the expressions “prearranged funeral services contract” and “prepurchased sepulture contract” have the meaning assigned by the Act respecting arrangements for funeral services and sepultures (chapter A-23.001).

1991, c. 67, s. 656; 2018, c. 14, s. 25.

## **CHAPTER VI**

### **REBATE**

## **DIVISION I**

### **SALES TAX REBATE IN RESPECT OF PROPERTY IN INVENTORY**

**657.** For the purposes of section 658,

“inventory” of a person as of any time means specified property of the person that is described in the person’s inventory in Québec at that time and that is building materials held at that time for use by the person in a business of constructing, renovating or improving buildings or structures carried on by the person, but not including

(1) any such property that before that time has been incorporated into new construction or a renovation or improvement or has otherwise been delivered to a construction, renovation or improvement job site;

(2) capital properties of the person;

(3) property held by the person for use in the construction, renovation or improvement of property that is or is to be capital property of the person; or

(4) property that is included in the description of any other person’s inventory at that time;

“specified property” means property in respect of which a person has paid tax under Chapter II of the Retail Sales Tax Act (chapter I-1), called “sales tax” in section 658.

1991, c. 67, s. 657.

**658.** Subject to section 661, where as of 1 July 1992, a person is registered under Division I of Chapter VIII of Title I and, at the beginning of that day, has any specified property in inventory, the person is entitled to a rebate of the sales tax paid by him in respect of that property.

1991, c. 67, s. 658.

**659.** Where the inventory of a person who, as of 1 July 1992, is registered under Division I of Chapter VIII of Title I includes, at the beginning of that day, used movable property acquired for the purpose of supply by way of sale or lease in commercial activities of the person, the used movable property is deemed, for the purposes of sections 213 to 219, to be used corporeal movable property supplied by way of sale in Québec on 1 July 1992 to the person, in respect of which tax was not payable by the person, and to have been acquired for the purpose of supply in commercial activities of the person for consideration, paid on 1 July 1992, equal to 50% of the amount at which the property would be required to be valued on that day for the purpose of computing the person’s income from a business for the purposes of the Taxation Act (chapter I-3).

The used movable property referred to in the first paragraph does not include

(1) capital properties of the person;

(1.1) road vehicles of the person;

(2) property that is included in the description of any other person’s inventory as of 1 July 1992;

(3) property for which a rebate under section 658 may be applied for; or

(4) property which, before 1 July 1992, has been incorporated into new construction or a renovation or improvement or has otherwise been delivered to a construction, renovation or improvement job site.

1991, c. 67, s. 659; 1993, c. 19, s. 248.

**660.** For the purposes of sections 658 and 659, the inventory of a person shall be determined as of the beginning of 1 July 1992, and may be determined

(1) on 1 July 1992;

(2) where the business of the person is not open for active business on 1 July 1992, on the first day after 1 July 1992, or the last day before 1 July 1992, on which the business is open for active business; or

(3) on a day before or after 1 July 1992 where the Minister is satisfied that the inventory system of the person is adequate to permit a reasonable determination of the person’s inventory as of 1 July 1992.

1991, c. 67, s. 660.

**661.** No person is entitled to a rebate under section 658 unless he files with and as prescribed by the Minister an application for a rebate in prescribed form containing prescribed information, before 1 July 1993.

1991, c. 67, s. 661.

**662.** Notwithstanding section 30 of the Act respecting the Ministère du Revenu (chapter M-31), where a rebate is paid to a person under section 658, interest shall be paid to the person for the period beginning on the day that is the later of

(1) 1 September 1992, and

- (2) the day that is thirty-one days after the day the application is received by the Minister,  
and ending on the day the rebate is paid.

1991, c. 67, s. 662.

## **DIVISION II**

### **SALES TAX REBATE IN RESPECT OF A RESIDENTIAL COMPLEX**

**663.** For the purposes of this division,

“estimated tax” for a residential complex means the prescribed amount, specified in prescribed manner, in respect of the complex;

“specified residential complex” means

(1) a multiple unit residential complex containing more than two residential units where the construction or substantial renovation of the complex began before 1 July 1992 and section 225 did not apply and, notwithstanding sections 228 and 229, would not have applied, after the construction or substantial renovation began and before 1 July 1992 to deem a supply of the unit to have been made; or

(2) a unit held in co-ownership where the construction or substantial renovation of the complex held in co-ownership in which the unit is situated began before 1 July 1992 and where sections 223 and 224 had not applied, after the construction or substantial renovation began and before 1 July 1992, to deem a supply of the unit to have been made;

“specified single unit residential complex” means a residential complex, other than a floating home or a mobile home,

(1) that is a single unit residential complex or a multiple unit residential complex containing not more than two residential units;

(2) the construction or substantial renovation of which began before 1 July 1992; and

(3) that was not occupied by any individual as a place of residence or lodging after the construction or substantial renovation began and before 1 July 1992.

1991, c. 67, s. 663; 1994, c. 22, s. 637; 1995, c. 1, s. 345.

**664.** Subject to sections 669 and 669.1, the builder of a specified single unit residential complex is entitled to a rebate determined under section 666 where

(1) the builder gives possession of the residential complex to a person under lease, licence or similar arrangement and is thereby deemed under section 223 or 225 to have made a taxable supply of the residential complex;

(2) tax under section 16 is payable in respect of the supply;

(3) the person takes possession of the residential complex for the first time after 30 June 1992 and before 1 January 1996; and

(4) the construction or substantial renovation of the residential complex is substantially completed before 1 January 1993.

1991, c. 67, s. 664; 1993, c. 19, s. 249; 1994, c. 22, s. 638.

**665.** Subject to sections 669 and 669.1, where the builder of a specified single unit residential complex makes a taxable supply of the residential complex by way of sale to an individual, the individual or the builder, by reason of section 683, is entitled to a rebate determined under section 666 where

- (1) tax under section 16 is payable in respect of the supply;
- (2) the individual takes possession of the residential complex for the first time after 30 June 1992 and before 1 January 1996; and
- (3) the construction or substantial renovation of the residential complex is substantially completed before 1 January 1993.

For the purposes of the first paragraph, the rebate may be granted to the builder only at the time of the transfer of possession of the residential complex.

1991, c. 67, s. 665; 1993, c. 19, s. 250; 1994, c. 22, s. 638.

**666.** The rebate to which a person is entitled in respect of a specified single unit residential complex under sections 664 and 665 is equal to

- (1) where the construction or substantial renovation of the complex is at least 25% but not more than 50% completed on 1 July 1992 and possession is transferred before 1 October 1992, 50% of the estimated tax for the complex;
- (2) where the construction or substantial renovation of the complex is more than 50% completed on 1 July 1992 and
  - (a) possession is transferred before 1 October 1992, 66 2/3% of the estimated tax for the complex, or
  - (b) possession is transferred before 1 January 1993, 33 1/3% of the estimated tax for the complex; and
- (3) where the construction or substantial renovation of the complex is substantially completed on 1 July 1992 and possession is transferred after 1992 but before 1 January 1996, 33 1/3% of the estimated tax for the complex.

1991, c. 67, s. 666; 1993, c. 19, s. 251; 1994, c. 22, s. 638.

**667.** Subject to sections 669 and 669.1, where, immediately before 1 July 1992, the builder of a specified residential complex owned or had possession of the complex and had not transferred ownership or possession under an agreement of purchase and sale to any person who is not a builder of the complex, the builder is entitled to a rebate determined under section 668.

The first paragraph does not apply to any builder of a specified residential complex to whom, by reason of section 227 or 228, sections 223 to 226 do not apply.

1991, c. 67, s. 667; 1994, c. 22, s. 638.

**668.** The rebate to which the builder of a specified residential complex is entitled under section 667 is equal to

- (1) where the complex is a multiple unit residential complex,
  - (a) 50% of the estimated tax for the complex, where the construction or substantial renovation of the complex was, on 1 July 1992, more than 25% completed and not more than 50% completed, or
  - (b) 75% of the estimated tax for the complex, where the construction or substantial renovation of the complex was, on 1 July 1992, more than 50% completed; and
- (2) where the complex is a unit held in co-ownership in a complex held in co-ownership,



(a) 50% of the estimated tax for the unit, where the construction or substantial renovation of the complex held in co-ownership in which the unit is situated was, on 1 July 1992, more than 25% completed and not more than 50% completed, or

(b) 75% of the estimated tax for the unit, where the construction or substantial renovation of the complex held in co-ownership in which the unit is situated was, on 1 July 1992, more than 50% completed.

1991, c. 67, s. 668; 1994, c. 22, s. 638.

**669.** No person is entitled to a rebate under this division in respect of a residential complex unless the person files with and as prescribed by the Minister an application for a rebate in prescribed form containing prescribed information, before 1 July 1996, and unless no rebate under this division in respect of the complex was paid to any other person entitled thereto.

1991, c. 67, s. 669; 1994, c. 22, s. 638.

**669.1.** Where the estimated tax for a residential complex is an amount based on the consideration, or a portion of the consideration, for a supply of the complex, a rebate in respect of the complex shall not be paid under this division to a person unless the person has applied for the rebate after tax under section 16 became payable in respect of that supply.

1994, c. 22, s. 639.

**670.** For the purposes of this division, sections 223 to 231.1 are deemed to be in force before 1 July 1992.

1991, c. 67, s. 670; 1994, c. 22, s. 640.

## **DIVISION II.1**

### **TRANSITIONAL SALES TAX REBATE IN RESPECT OF A RESIDENTIAL COMPLEX**

2007, c. 12, s. 343.

**670.1.** Subject to section 670.12, a particular person, other than a cooperative housing corporation, is entitled to a rebate determined in accordance with section 670.2 if

(1) pursuant to an agreement of purchase and sale, evidenced in writing and entered into before 3 May 2006, the particular person is the recipient of a taxable supply by way of sale from another person of a residential complex in respect of which ownership and possession under the agreement are transferred to the particular person after 30 June 2006;

(2) the particular person is entitled to claim a rebate under subsection 1 of section 256.3 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the supply of the residential complex;

(3) the particular person has paid all of the tax under section 16 in respect of the supply of the residential complex; and

(4) the particular person is not entitled to claim an input tax refund or a rebate, other than a rebate under this section, in respect of the tax referred to in paragraph 3.

2007, c. 12, s. 343.

**670.2.** For the purposes of section 670.1, the rebate to which a particular person is entitled in respect of the supply of a residential complex is equal to 7.5% of the amount of the rebate to which the particular person is entitled under subsection 1 of section 256.3 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15).

2007, c. 12, s. 343.

**670.3.** Subject to section 670.12, a particular person, other than a cooperative housing corporation, is entitled to a rebate determined in accordance with section 670.4 if

(1) pursuant to an agreement of purchase and sale, evidenced in writing and entered into before 3 May 2006, the particular person is the recipient of a taxable supply by way of sale from another person of a residential complex in respect of which ownership and possession under the agreement are transferred to the particular person after 30 June 2006;

(2) the particular person is entitled to claim a rebate under subsection 2 of section 256.3 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the supply of the residential complex;

(3) the particular person has paid all of the tax under section 16 in respect of the supply of the residential complex; and

(4) the particular person is entitled to claim a rebate under section 378.6 or 378.14 in respect of a residential unit situated in the residential complex.

2007, c. 12, s. 343.

**670.4.** For the purposes of section 670.3, the rebate to which a particular person is entitled, in respect of the supply of a residential complex, is equal to the amount determined by the formula

$$A \times 7.5\% \times (1 - B / C).$$

For the purposes of the formula,

(1) A is the amount of the rebate to which the particular person is entitled under subsection 2 of section 256.3 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the supply of the residential complex;

(2) B is the amount by which the amount of the rebate to which the particular person is entitled under section 378.6 or 378.14 in respect of the supply of the residential complex, exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the particular person is entitled under subsection 3 of section 256.2 of the Excise Tax Act in respect of the supply of the residential complex; and

(3) C is the amount by which the amount of tax payable by the particular person under section 16 in respect of the supply of the residential complex, exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the particular person is entitled under subsection 3 of section 256.2 of the Excise Tax Act in respect of the supply of the residential complex.

2007, c. 12, s. 343.

**670.5.** Subject to section 670.12, a particular person, other than a cooperative housing corporation, is entitled to a rebate determined in accordance with section 670.6 if

(1) pursuant to an agreement of purchase and sale, evidenced in writing and entered into before 3 May 2006, the particular person is the recipient of a taxable supply by way of sale from another person of a residential complex in respect of which ownership and possession under the agreement are transferred to the particular person after 30 June 2006;

(2) the particular person is entitled to claim a rebate under subsection 3 of section 256.3 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the supply of the residential complex;

(3) the particular person has paid all of the tax under section 16 in respect of the supply of the residential complex; and

(4) the particular person is entitled to claim a rebate under sections 383 to 388, 389 and 394 to 397.2 in respect of the tax referred to in paragraph 3 but is not entitled to claim an input tax refund or any other rebate, other than a rebate under this section, in respect of that tax.

2007, c. 12, s. 343.

**670.6.** For the purposes of section 670.5, the rebate to which a particular person is entitled in respect of the supply of a residential complex is equal to 7.5% of the amount of the rebate to which the particular person is entitled under subsection 3 of section 256.3 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15).

2007, c. 12, s. 343.

**670.7.** Subject to section 670.12, a cooperative housing corporation is entitled to a rebate determined in accordance with section 670.8 if

(1) pursuant to an agreement of purchase and sale, evidenced in writing and entered into before 3 May 2006, the cooperative housing corporation is the recipient of a taxable supply by way of sale from another person of a residential complex in respect of which ownership and possession under the agreement are transferred to the cooperative housing corporation after 30 June 2006;

(2) the cooperative housing corporation is entitled to claim a rebate under subsection 4 of section 256.3 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the supply of the residential complex;

(3) the cooperative housing corporation has paid all of the tax under section 16 in respect of the supply of the residential complex; and

(4) the cooperative housing corporation is not entitled to claim an input tax refund or a rebate, other than a rebate under this section or under sections 378.10, 378.14, 383 to 388, 389 and 394 to 397.2, in respect of the tax referred to in paragraph 3.

2007, c. 12, s. 343.

**670.8.** For the purposes of section 670.7, the rebate to which a cooperative housing corporation is entitled in respect of the supply of a residential complex is equal

(1) in the case where the cooperative housing corporation is entitled to claim a rebate under sections 383 to 388, 389 and 394 to 397.2 in respect of the supply of the residential complex, to the result obtained by multiplying 7.5% by the amount of the rebate to which the cooperative housing corporation is entitled under subsection 4 of section 256.3 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the supply of the residential complex, if B in the formula in that subsection is the amount provided for in clause B of subparagraph i of that subsection;

(2) in the case where the cooperative housing corporation is not entitled to claim a rebate under sections 383 to 388, 389 and 394 to 397.2 in respect of the supply of the residential complex, and the cooperative housing corporation is entitled to, or can reasonably expect to be entitled to, claim a rebate under section 378.10 in respect of a residential unit situated in a residential complex or it is the case that, or it can reasonably be expected that, a share of the capital stock of the cooperative housing corporation is or will be sold to a particular individual for the purpose of using a residential unit situated in the residential complex as the primary place of residence of the particular individual, of an individual related to the particular individual or of a former spouse of the particular individual, and that the particular individual is or will be entitled to claim a rebate under section 370.5 in respect of the share of the capital stock, to the amount determined by the formula

$A - (36\% \times A)$ ; and

(3) in any other case, to the result obtained by multiplying 7.5% by the amount of the rebate to which the cooperative housing corporation is entitled under subsection 4 of section 256.3 of the Excise Tax Act in respect of the supply of the residential complex.

For the purposes of the formula in subparagraph 2 of the first paragraph, A is the amount obtained by multiplying 7.5% by the amount of the rebate to which the cooperative housing corporation is entitled under subsection 4 of section 256.3 of the Excise Tax Act in respect of the supply of the residential complex, if B in the formula in that subsection is the amount provided for in subparagraph ii of that subsection.

2007, c. 12, s. 343.

**670.9.** Subject to section 670.12, a particular individual is entitled to a rebate determined in accordance with section 670.10 if

(1) pursuant to an agreement of purchase and sale, evidenced in writing and entered into before 3 May 2006, the particular individual is the recipient of a taxable supply by way of sale from another person of a residential complex in respect of which ownership and possession under the agreement are transferred to the particular individual after 30 June 2006;

(2) the particular individual is entitled to claim a rebate under subsection 5 of section 256.3 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the supply of the residential complex;

(3) the particular individual has paid all of the tax under section 16 in respect of the supply of the residential complex; and

(4) the particular individual is entitled to claim a rebate under section 362.2 or 368.1 in respect of the residential complex.

2007, c. 12, s. 343.

**670.10.** For the purposes of section 670.9, the rebate to which a particular individual is entitled, in respect of the supply of a residential complex, is equal to the amount determined by the formula

$A \times 7.5\% \times (1 - B / C)$ .

For the purposes of the formula,

(1) A is the amount of the rebate to which the particular individual is entitled under subsection 5 of section 256.3 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the supply of the residential complex;

(2) B is the amount by which the amount of the rebate to which the particular individual is entitled under section 362.2 or 368.1 in respect of the supply of the residential complex, exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the particular individual is entitled under subsection 2 of section 254 of the Excise Tax Act in respect of the supply of the residential complex; and

(3) C is the amount by which the amount of tax payable by the particular individual under section 16 in respect of the supply of the residential complex, exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the particular individual is entitled under subsection 2 of section 254 of the Excise Tax Act in respect of the supply of the residential complex.

2007, c. 12, s. 343.

**670.11.** If a supply of a residential complex is made to two or more individuals, a reference in sections 670.9 and 670.10 to a particular individual is to be read as a reference to all of those individuals as a group, but only the particular individual who applied for the rebate under sections 362.2 to 370 may apply for the rebate under section 670.9.

2007, c. 12, s. 343.

**670.12.** A person is entitled to a rebate under sections 670.1 to 670.11 in respect of a residential complex only if the person applies for the rebate within two years after the day on which ownership of the residential complex is transferred to the person.

2007, c. 12, s. 343.

**670.13.** Subject to section 670.22, a particular person is entitled to a rebate determined in accordance with section 670.14 if

(1) under an agreement, evidenced in writing, entered into before 3 May 2006 between the particular person and the builder of a residential complex that is a single unit residential complex or a residential unit held in co-ownership, the particular person is the recipient of

(a) an exempt supply by way of lease of the land forming part of the residential complex or an exempt supply of such a lease by way of assignment, and

(b) an exempt supply by way of sale of all or part of the building in which the residential unit forming part of the residential complex is situated;

(2) possession of the residential complex is given to the particular person under the agreement after 30 June 2006;

(3) the builder is deemed to have made and received the supply of the residential complex under section 223 as a consequence of giving possession of the residential complex to the particular person under the agreement and to have paid tax under section 16 in respect of the supply;

(4) the particular person is entitled to claim a rebate under section 370.0.1 or 370.3.1 in respect of the residential complex; and

(5) the particular person is entitled to claim a rebate under paragraph *e* of subsection 1 of section 256.4 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex.

2007, c. 12, s. 343.

**670.14.** For the purposes of section 670.13, the rebate to which a particular person is entitled, in respect of the residential complex, is equal to the amount determined by the formula

$$A \times 7.5\% \times (1 - B / C).$$

For the purposes of the formula in the first paragraph,

(1) A is the amount of the rebate to which the particular person is entitled under paragraph *e* of subsection 1 of section 256.4 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex;

(2) B is the amount by which the amount of the rebate to which the particular person is entitled under section 370.0.1 or 370.3.1 in respect of the residential complex, exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the particular person is entitled under subsection 2 of section 254.1 of the Excise Tax Act in respect of the residential complex; and

(3) C is the amount determined by the formula

$$(D \times 7.5 / 107.5) - E.$$

For the purposes of the formula in subparagraph 3 of the second paragraph,

(1) D is the total of all amounts each of which is the consideration payable by the particular person to the builder for the supply by way of sale to the particular person of all or part of the building referred to in subparagraph *b* of paragraph 1 of section 670.13 or of any other structure that forms part of the residential complex, other than consideration that can reasonably be considered to be rent for the supplies of the land attributable to the residential complex or as consideration for the supply of an option to purchase that land; and

(2) E is the result obtained by multiplying 7.5% by the amount of the rebate to which the particular person is entitled under subsection 2 of section 254.1 of the Excise Tax Act in respect of the residential complex.

2007, c. 12, s. 343.

**670.15.** Subject to section 670.22, a builder is entitled to a rebate determined in accordance with section 670.16 if

(1) under an agreement, evidenced in writing, entered into before 3 May 2006 between a particular person and the builder of a residential complex that is a single unit residential complex or a residential unit held in co-ownership, the builder makes to the particular person

(a) an exempt supply by way of lease of the land forming part of the residential complex or an exempt supply of such a lease by way of assignment, and

(b) an exempt supply by way of sale of all or part of the building in which the residential unit forming part of the residential complex is situated;

(2) possession of the residential complex is given to the particular person under the agreement after 30 June 2006;

(3) the builder is deemed to have made and received the supply of the residential complex under section 223 as a consequence of giving possession of the residential complex to the particular person under the agreement and to have paid tax under section 16 in respect of the supply;

(4) the particular person is entitled to claim a rebate under section 370.0.1 or 370.3.1 in respect of the residential complex;

(5) the builder is not entitled to claim an input tax refund or a rebate, other than a rebate under this section or under section 378.8 or 378.14, in respect of the tax referred to in paragraph 3; and

(6) the builder is entitled to claim a rebate under paragraph *f* of subsection 1 of section 256.4 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex.

2007, c. 12, s. 343.

**670.16.** For the purposes of section 670.15, the rebate to which a builder is entitled, in respect of the residential complex, is equal to the amount determined by the formula

$$A \times 7.5\% \times (1 - B / C).$$

For the purposes of the formula,

(1) A is the amount of the rebate to which the builder is entitled under paragraph *f* of subsection 1 of section 256.4 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex;

(2) B is the amount by which the amount of the rebate to which the builder is entitled under section 378.8 or 378.14 in respect of the residential complex, exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the builder is entitled under subsection 4 of section 256.2 of the Excise Tax Act in respect of the residential complex; and

(3) C is the amount by which the amount of the tax payable under section 16 in respect of the supply deemed to have been made under section 223, exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the builder is entitled under subsection 4 of section 256.2 of the Excise Tax Act in respect of the residential complex.

2007, c. 12, s. 343.

**670.17.** Subject to section 670.22, a particular person is entitled to a rebate determined in accordance with section 670.18 if

(1) under an agreement, evidenced in writing, entered into before 3 May 2006 between the particular person and the builder of a residential complex that is a single unit residential complex or a residential unit held in co-ownership, the particular person is the recipient of

(a) an exempt supply by way of lease of the land forming part of the residential complex or an exempt supply of such a lease by way of assignment, and

(b) an exempt supply by way of sale of all or part of the building in which the residential unit forming part of the residential complex is situated;

(2) possession of the residential complex is given to the particular person under the agreement after 30 June 2006;

(3) the builder is deemed to have made and received the supply of the residential complex under section 223 as a consequence of giving possession of the residential complex to the particular person under the agreement and to have paid tax under section 16 in respect of the supply;

(4) the particular person is not entitled to claim a rebate under section 370.0.1 in respect of the residential complex; and

(5) the particular person is entitled to claim a rebate under paragraph *e* of subsection 2 of section 256.4 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex.

2007, c. 12, s. 343.

**670.18.** For the purposes of section 670.17, the rebate to which a particular person is entitled in respect of the residential complex is equal to 7.5% of the amount of the rebate to which the particular person is entitled under paragraph *e* of subsection 2 of section 256.4 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15).

2007, c. 12, s. 343.

**670.19.** Subject to section 670.22, a builder is entitled to a rebate determined in accordance with section 670.20 if

(1) under an agreement, evidenced in writing, entered into before 3 May 2006 between a particular person and the builder of a residential complex that is a single unit residential complex or a residential unit held in co-ownership, the builder makes to the particular person

(a) an exempt supply by way of lease of the land forming part of the residential complex or an exempt supply of such a lease by way of assignment, and

(b) an exempt supply by way of sale of all or part of the building in which the residential unit forming part of the residential complex is situated;

(2) possession of the residential complex is given to the particular person under the agreement after 30 June 2006;

(3) the builder is deemed to have made and received the supply of the residential complex under section 223 as a consequence of giving possession of the residential complex to the particular person under the agreement and to have paid tax under section 16 in respect of the supply;

(4) the particular person is not entitled to claim a rebate under section 370.0.1 in respect of the residential complex;

(5) the builder is not entitled to claim an input tax refund or a rebate, other than a rebate under this section, in respect of the tax referred to in paragraph 3; and

(6) the builder is entitled to claim a rebate under paragraph *f* of subsection 2 of section 256.4 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex.

2007, c. 12, s. 343.

**670.20.** For the purposes of section 670.19, the rebate to which a builder is entitled in respect of the residential complex is equal to 7.5% of the amount of the rebate to which the builder is entitled under paragraph *f* of subsection 2 of section 256.4 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15).

2007, c. 12, s. 343.

**670.21.** If the supplies referred to in sections 670.13 to 670.20 are made to two or more individuals, a reference in those sections to a particular person is to be read as a reference to all of those individuals as a group, but, in the case of a rebate under section 670.13, only the individual who applied for the rebate under sections 370.0.1 to 370.4 may apply for the rebate under section 670.13.

2007, c. 12, s. 343.



**670.22.** A person is entitled to a rebate under sections 670.13 to 670.21 in respect of a residential complex only if the person applies for the rebate within two years after

(1) in the case of a rebate to a person other than the builder of the residential complex, the day on which possession of the residential complex is transferred to the person; and

(2) in the case of a rebate to the builder of the residential complex, the end of the month in which the tax referred to in paragraph 3 of sections 670.15 and 670.19 is deemed to have been paid by the builder.

2007, c. 12, s. 343.

**670.23.** Subject to section 670.26, a particular person is entitled to a rebate determined in accordance with section 670.24 if

(1) under an agreement, evidenced in writing, entered into between the particular person and the builder of a residential complex, other than a single unit residential complex or a residential unit held in co-ownership, or an addition to it, the particular person is the recipient of

(a) an exempt supply by way of lease of the land forming part of the residential complex or an exempt supply of such a lease by way of assignment, and

(b) an exempt supply by way of sale of all or part of the building in which a residential unit forming part of the residential complex or of the addition is situated;

(2) possession of a residential unit forming part of the residential complex or of the addition is given to the particular person under the agreement after 30 June 2006;

(3) the builder is deemed under section 225 or 226 to have made and received the supply of the residential complex or of the addition as a consequence of

(a) giving possession of the residential unit to the particular person under the agreement, or

(b) giving possession of a residential unit forming part of the residential complex or of the addition to another person under an agreement referred to in paragraph 1 entered into between the other person and the builder;

(4) the builder is deemed to have paid tax under section 16 in respect of the supply;

(5) where the builder is deemed to have paid the tax referred to in paragraph 4 after 30 June 2006, it is the case that

(a) the builder and the particular person entered into the agreement before 3 May 2006, or

(b) the builder and a person, other than the particular person, before 3 May 2006, entered into an agreement referred to in paragraph 1 in respect of a residential unit situated in the residential complex or in the addition that the builder is deemed to have supplied under paragraph 3 and that agreement was not terminated before 1 July 2006; and

(6) the particular person is entitled to claim a rebate under subsection 1 of section 256.5 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex or of the addition.

2007, c. 12, s. 343.

**670.24.** For the purposes of section 670.23, the rebate to which a particular person is entitled, in respect of the residential complex or of the addition to it, is equal

(1) if the particular person is entitled to claim a rebate under section 370.0.1 or 370.3.1 in respect of the residential complex, to the amount determined by the formula

$A \times 7.5\% \times (1 - B / C)$ ; and

(2) if the particular person is not entitled to claim a rebate under section 370.0.1 or 370.3.1 in respect of the residential complex, to the result obtained by multiplying 7.5% by the amount of the rebate to which the particular person is entitled under paragraph *g* of subsection 1 of section 256.5 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex or of the addition.

For the purposes of the formula in subparagraph 1 of the first paragraph,

(1) *A* is the amount of the rebate to which the particular person is entitled under paragraph *f* of subsection 1 of section 256.5 of the Excise Tax Act in respect of the residential complex;

(2) *B* is the amount by which the amount of the rebate to which the particular person is entitled under section 370.0.1 or 370.3.1 in respect of the residential complex, exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the particular person is entitled under subsection 2 of section 254.1 of the Excise Tax Act in respect of the residential complex; and

(3) *C* is the amount determined by the formula

$(D \times 7.5 / 107.5) - E$ .

For the purposes of the formula in subparagraph 3 of the second paragraph,

(1) *D* is the total of all amounts each of which is the consideration payable by the particular person to the builder for the supply by way of sale to the particular person of all or part of the building referred to in subparagraph *b* of paragraph 1 of section 670.23 or of any other structure that forms part of the residential complex, other than consideration that can reasonably be considered to be rent for the supplies of the land attributable to the residential complex or as consideration for the supply of an option to purchase that land; and

(2) *E* is the result obtained by multiplying 7.5% by the amount of the rebate to which the particular person is entitled under subsection 2 of section 254.1 of the Excise Tax Act in respect of the residential complex.

2007, c. 12, s. 343.

**670.25.** If the supplies referred to in sections 670.23 and 670.24 are made to two or more individuals, a reference in those sections to a particular person is to be read as a reference to all of those individuals as a group, but, in the case of a rebate under subparagraph 1 of the first paragraph of section 670.24, only the individual who applied for the rebate under sections 370.0.1 to 370.4 may apply for the rebate under that paragraph.

2007, c. 12, s. 343.

**670.26.** A person is entitled to a rebate under section 670.23 in respect of a residential complex only if the person applies for the rebate within two years after the day on which possession of the residential unit referred to in paragraph 2 of section 670.23 is transferred to the person.

2007, c. 12, s. 343.

**670.27.** Subject to section 670.29, a builder is entitled to a rebate determined in accordance with section 670.28 if

(1) under an agreement, evidenced in writing, entered into between a particular person and the builder of a residential complex, other than a single unit residential complex or a residential unit held in co-ownership, or an addition to it, the builder makes to the particular person

(a) an exempt supply by way of lease of the land forming part of the residential complex or an exempt supply of such a lease by way of assignment, and

(b) an exempt supply by way of sale of all or part of the building in which a residential unit forming part of the residential complex or of the addition is situated;

(2) the builder is deemed under section 225 or 226 to have made and received the supply of the residential complex or of the addition after 30 June 2006 as a consequence of

(a) giving possession of the residential unit to the particular person under the agreement, or

(b) giving possession of a residential unit forming part of the residential complex or of the addition to a person other than the particular person under an agreement referred to in paragraph 1 entered into between the other person and the builder;

(3) it is the case that

(a) the builder and the particular person entered into the agreement before 3 May 2006, or

(b) the builder and a person, other than the particular person, before 3 May 2006, entered into an agreement referred to in paragraph 1 in respect of a residential unit situated in the residential complex or in the addition that the builder is deemed to have supplied under paragraph 2 and that agreement was not terminated before 1 July 2006;

(4) the builder is deemed to have paid tax under section 16 in respect of the supply referred to in paragraph 2;

(5) the builder is not entitled to claim an input tax refund or a rebate, other than a rebate under this section or under section 378.8 or 378.14, in respect of the tax referred to in paragraph 4; and

(6) the builder is entitled to claim a rebate under subsection 1 of section 256.6 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex or of the addition.

2007, c. 12, s. 343.

**670.28.** For the purposes of section 670.27, the rebate to which a builder is entitled, in respect of the residential complex or of the addition to it, is equal to the amount determined by the formula

$$A \times 7.5\% \times (1 - B / C).$$

For the purposes of the formula,

(1) A is the amount of the rebate to which the builder is entitled under subsection 1 of section 256.6 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex or of the addition;

(2) B is the amount by which the amount of the rebate to which the builder is entitled under section 378.8 or 378.14 in respect of the residential complex or of the addition, exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the builder is entitled under subsection 4 of section 256.2 of the Excise Tax Act in respect of the residential complex or of the addition; and

(3) C is the amount by which the amount of the tax payable under section 16 in respect of the supply deemed to have been made under section 225 or 226 exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the builder is entitled under subsection 4 of section 256.2 of the Excise Tax Act in respect of the residential complex or of the addition.

2007, c. 12, s. 343.

**670.29.** A builder is entitled to a rebate under section 670.27 in respect of a residential complex or of an addition to it only if the builder applies for the rebate within two years after the end of the month in which the tax referred to in section 670.27 is deemed to have been paid by the builder.

2007, c. 12, s. 343.

## **DIVISION II.2**

### **TRANSITIONAL SALES TAX REBATE IN RESPECT OF A RESIDENTIAL COMPLEX**

2009, c. 5, s. 672.

**670.30.** Subject to section 670.41, a particular person, other than a cooperative housing corporation, is entitled to a rebate determined in accordance with section 670.31 if

(1) pursuant to an agreement of purchase and sale, evidenced in writing and entered into before 3 May 2006, the particular person is the recipient of a taxable supply by way of sale from another person of a residential complex in respect of which ownership and possession under the agreement are transferred to the particular person after 31 December 2007;

(2) the particular person is entitled to claim a rebate under subsection 1 of section 256.7 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the supply of the residential complex;

(3) the particular person has paid all of the tax under section 16 in respect of the supply of the residential complex; and

(4) the particular person is not entitled to claim an input tax refund or a rebate, other than a rebate under this section or section 670.2, in respect of the tax referred to in paragraph 3.

2009, c. 5, s. 672.

**670.31.** For the purposes of section 670.30, the rebate to which a particular person is entitled in respect of the supply of a residential complex is equal to 7.5% of the amount of the rebate to which the particular person is entitled under subsection 1 of section 256.7 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15).

The amount of the rebate referred to in the first paragraph is added to the amount of the rebate provided for in section 670.2.

2009, c. 5, s. 672.

**670.32.** Subject to section 670.41, a particular person, other than a cooperative housing corporation, is entitled to a rebate determined in accordance with section 670.33 if

(1) pursuant to an agreement of purchase and sale, evidenced in writing and entered into before 3 May 2006, the particular person is the recipient of a taxable supply by way of sale from another person of a residential complex in respect of which ownership and possession under the agreement are transferred to the particular person after 31 December 2007;

(2) the particular person is entitled to claim a rebate under subsection 2 of section 256.7 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the supply of the residential complex;

(3) the particular person has paid all of the tax under section 16 in respect of the supply of the residential complex; and

(4) the particular person is entitled to claim a rebate under section 378.6 or 378.14 in respect of a residential unit situated in the residential complex.

2009, c. 5, s. 672.

**670.33.** For the purposes of section 670.32, the rebate to which a particular person is entitled, in respect of the supply of a residential complex, is equal to the amount determined by the formula

$$A \times 7.5\% \times (1 - B/C).$$

For the purposes of the formula,

(1) A is the amount of the rebate to which the particular person is entitled under subsection 2 of section 256.7 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the supply of the residential complex;

(2) B is the amount by which the amount of the rebate to which the particular person is entitled under section 378.6 or 378.14 in respect of the supply of the residential complex, exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the particular person is entitled under subsection 3 of section 256.2 of the Excise Tax Act in respect of the supply of the residential complex; and

(3) C is the amount by which the amount of tax payable by the particular person under section 16 in respect of the supply of the residential complex, exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the particular person is entitled under subsection 3 of section 256.2 of the Excise Tax Act in respect of the supply of the residential complex.

The amount of the rebate referred to in the first paragraph is added to the amount of the rebate provided for in section 670.4.

2009, c. 5, s. 672.

**670.34.** Subject to section 670.41, a particular person, other than a cooperative housing corporation, is entitled to a rebate determined in accordance with section 670.35 if

(1) pursuant to an agreement of purchase and sale, evidenced in writing and entered into before 3 May 2006, the particular person is the recipient of a taxable supply by way of sale from another person of a residential complex in respect of which ownership and possession under the agreement are transferred to the particular person after 31 December 2007;

(2) the particular person is entitled to claim a rebate under subsection 3 of section 256.7 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the supply of the residential complex;

(3) the particular person has paid all of the tax under section 16 in respect of the supply of the residential complex; and

(4) the particular person is entitled to claim a rebate under sections 383 to 388, 389 and 394 to 397.2 in respect of the tax referred to in paragraph 3 but is not entitled to claim an input tax refund or any other rebate, other than a rebate under this section or section 670.6, in respect of that tax.

2009, c. 5, s. 672.

**670.35.** For the purposes of section 670.34, the rebate to which a particular person is entitled in respect of the supply of a residential complex is equal to 7.5% of the amount of the rebate to which the particular person is entitled under subsection 3 of section 256.7 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15).

The amount of the rebate referred to in the first paragraph is added to the amount of the rebate provided for in section 670.6.

2009, c. 5, s. 672.

**670.36.** Subject to section 670.41, a cooperative housing corporation is entitled to a rebate determined in accordance with section 670.37 if

(1) pursuant to an agreement of purchase and sale, evidenced in writing and entered into before 3 May 2006, the cooperative housing corporation is the recipient of a taxable supply by way of sale from another person of a residential complex in respect of which ownership and possession under the agreement are transferred to the cooperative housing corporation after 31 December 2007;

(2) the cooperative housing corporation is entitled to claim a rebate under subsection 4 of section 256.7 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the supply of the residential complex;

(3) the cooperative housing corporation has paid all of the tax under section 16 in respect of the supply of the residential complex; and

(4) the cooperative housing corporation is not entitled to claim an input tax refund or a rebate, other than a rebate under this section, or any of sections 378.10, 378.14, 383 to 388, 389, 394 to 397.2 and 670.8, in respect of the tax referred to in paragraph 3.

2009, c. 5, s. 672.

**670.37.** For the purposes of section 670.36, the rebate to which a cooperative housing corporation is entitled in respect of the supply of a residential complex is equal

(1) in the case where the cooperative housing corporation is entitled to claim a rebate under sections 383 to 388, 389 and 394 to 397.2 in respect of the supply of the residential complex, to the result obtained by multiplying 7.5% by the amount of the rebate to which the cooperative housing corporation is entitled under subsection 4 of section 256.7 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the supply of the residential complex, if B in the formula in that subsection is the amount provided for in clause B of subparagraph i of that subsection;

(2) in the case where the cooperative housing corporation is not entitled to claim a rebate under sections 383 to 388, 389 and 394 to 397.2 in respect of the supply of the residential complex, and the cooperative housing corporation is entitled to, or can reasonably expect to be entitled to, claim a rebate under section 378.10 in respect of a residential unit situated in a residential complex or it is the case that, or it can reasonably be expected that, a share of the capital stock of the cooperative housing corporation is or will be sold to a particular individual for the purpose of using a residential unit situated in the residential complex as the primary place of residence of the particular individual, of an individual related to the particular individual or of a former spouse of the particular individual, and that the particular individual is or will be entitled to

claim a rebate under section 370.5 in respect of the share of the capital stock, to the amount determined by the formula

$$A - (36\% \times A); \text{ and}$$

(3) in any other case, to the result obtained by multiplying 7.5% by the amount of the rebate to which the cooperative housing corporation is entitled under subsection 4 of section 256.7 of the Excise Tax Act in respect of the supply of the residential complex.

For the purposes of the formula in subparagraph 2 of the first paragraph, A is the amount obtained by multiplying 7.5% by the amount of the rebate to which the cooperative housing corporation is entitled under subsection 4 of section 256.7 of the Excise Tax Act in respect of the supply of the residential complex, if B in the formula in that subsection is the amount provided for in subparagraph ii of that subsection.

The amount of the rebate referred to in the first paragraph is added to the amount of the rebate provided for in section 670.8.

2009, c. 5, s. 672.

**670.38.** Subject to section 670.41, a particular individual is entitled to a rebate determined in accordance with section 670.39 if

(1) pursuant to an agreement of purchase and sale, evidenced in writing and entered into before 3 May 2006, the particular individual is the recipient of a taxable supply by way of sale from another person of a residential complex in respect of which ownership and possession under the agreement are transferred to the particular individual after 31 December 2007;

(2) the particular individual is entitled to claim a rebate under subsection 5 of section 256.7 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the supply of the residential complex;

(3) the particular individual has paid all of the tax under section 16 in respect of the supply of the residential complex; and

(4) the particular individual is entitled to claim a rebate under section 362.2 or 368.1 in respect of the residential complex.

2009, c. 5, s. 672.

**670.39.** For the purposes of section 670.38, the rebate to which a particular individual is entitled, in respect of the supply of a residential complex, is equal to the amount determined by the formula

$$A \times 7.5\% \times (1 - B/C).$$

For the purposes of the formula,

(1) A is the amount of the rebate to which the particular individual is entitled under subsection 5 of section 256.7 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the supply of the residential complex;

(2) B is the amount by which the amount of the rebate to which the particular individual is entitled under section 362.2 or 368.1 in respect of the supply of the residential complex, exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the particular individual is entitled under subsection 2 of section 254 of the Excise Tax Act in respect of the supply of the residential complex; and

(3) C is the amount by which the amount of tax payable by the particular individual under section 16 in respect of the supply of the residential complex, exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the particular individual is entitled under subsection 2 of section 254 of the Excise Tax Act in respect of the supply of the residential complex.

The amount of the rebate referred to in the first paragraph is added to the amount of the rebate provided for in section 670.10.

2009, c. 5, s. 672.

**670.40.** If a supply of a residential complex is made to two or more individuals, a reference in sections 670.38 and 670.39 to a particular individual is to be read as a reference to all of those individuals as a group, but only the particular individual who applied for the rebate under sections 362.2 to 370 may apply for the rebate under section 670.38.

2009, c. 5, s. 672.

**670.41.** A person is entitled to a rebate under sections 670.30 to 670.40 in respect of a residential complex only if the person applies for the rebate within two years after the day on which ownership of the residential complex is transferred to the person.

2009, c. 5, s. 672.

**670.42.** Subject to section 670.51, a particular person is entitled to a rebate determined in accordance with section 670.43 if

(1) under an agreement, evidenced in writing, entered into before 3 May 2006 between the particular person and the builder of a residential complex that is a single unit residential complex or a residential unit held in co-ownership, the particular person is the recipient of

(a) an exempt supply by way of lease of the land forming part of the residential complex or an exempt supply of such a lease by way of assignment, and

(b) an exempt supply by way of sale of all or part of the building in which the residential unit forming part of the residential complex is situated;

(2) possession of the residential complex is given to the particular person under the agreement after 31 December 2007;

(3) the builder is deemed to have made and received the supply of the residential complex under section 223 as a consequence of giving possession of the residential complex to the particular person under the agreement and to have paid tax provided for in section 16 in respect of the supply;

(4) the particular person is entitled to claim a rebate under section 370.0.1 or 370.3.1 in respect of the residential complex; and

(5) the particular person is entitled to claim a rebate under paragraph *e* of subsection 1 of section 256.71 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex.

2009, c. 5, s. 672.

**670.43.** For the purposes of section 670.42, the rebate to which a particular person is entitled, in respect of the residential complex, is equal to the amount determined by the formula



$$A \times 7.5\% \times (1 - B/C).$$

For the purposes of the formula in the first paragraph,

(1) A is the amount of the rebate to which the particular person is entitled under paragraph *e* of subsection 1 of section 256.71 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex;

(2) B is the amount by which the amount of the rebate to which the particular person is entitled under section 370.0.1 or 370.3.1 in respect of the residential complex, exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the particular person is entitled under subsection 2 of section 254.1 of the Excise Tax Act in respect of the residential complex; and

(3) C is the amount determined by the formula

$$(D \times 7.5/107.5) - E.$$

For the purposes of the formula in subparagraph 3 of the second paragraph,

(1) D is the total of all amounts each of which is the consideration payable by the particular person to the builder for the supply by way of sale to the particular person of all or part of the building referred to in subparagraph *b* of paragraph 1 of section 670.42 or of any other structure that forms part of the residential complex, other than consideration that can reasonably be considered to be rent for the supplies of the land attributable to the residential complex or as consideration for the supply of an option to purchase that land; and

(2) E is the result obtained by multiplying 7.5% by the amount of the rebate to which the particular person is entitled under subsection 2 of section 254.1 of the Excise Tax Act in respect of the residential complex.

The amount of the rebate referred to in the first paragraph is added to the amount of the rebate provided for in section 670.14.

2009, c. 5, s. 672.

**670.44.** Subject to section 670.51, a builder is entitled to a rebate determined in accordance with section 670.45 if

(1) under an agreement, evidenced in writing, entered into before 3 May 2006 between a particular person and the builder of a residential complex that is a single unit residential complex or a residential unit held in co-ownership, the builder makes to the particular person

(a) an exempt supply by way of lease of the land forming part of the residential complex or an exempt supply of such a lease by way of assignment, and

(b) an exempt supply by way of sale of all or part of the building in which the residential unit forming part of the residential complex is situated;

(2) possession of the residential complex is given to the particular person under the agreement after 31 December 2007;

(3) the builder is deemed to have made and received the supply of the residential complex under section 223 as a consequence of giving possession of the residential complex to the particular person under the agreement and to have paid tax provided for in section 16 in respect of the supply;

(4) the particular person is entitled to claim a rebate under section 370.0.1 or 370.3.1 in respect of the residential complex;

(5) the builder is not entitled to claim an input tax refund or a rebate, other than a rebate under this section or any of sections 378.8, 378.14 and 670.16, in respect of the tax referred to in paragraph 3; and

(6) the builder is entitled to claim a rebate under paragraph *f* of subsection 1 of section 256.71 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex.

2009, c. 5, s. 672.

**670.45.** For the purposes of section 670.44, the rebate to which a builder is entitled, in respect of the residential complex, is equal to the amount determined by the formula

$$A \times 7.5\% \times (1 - B/C).$$

For the purposes of the formula,

(1) A is the amount of the rebate to which the builder is entitled under paragraph *f* of subsection 1 of section 256.71 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex;

(2) B is the amount by which the amount of the rebate to which the builder is entitled under section 378.8 or 378.14 in respect of the residential complex, exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the builder is entitled under subsection 4 of section 256.2 of the Excise Tax Act in respect of the residential complex; and

(3) C is the amount by which the amount of the tax payable under section 16 in respect of the supply deemed to have been made under section 223, exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the builder is entitled under subsection 4 of section 256.2 of the Excise Tax Act in respect of the residential complex.

The amount of the rebate referred to in the first paragraph is added to the amount of the rebate provided for in section 670.16.

2009, c. 5, s. 672.

**670.46.** Subject to section 670.51, a particular person is entitled to a rebate determined in accordance with section 670.47 if

(1) under an agreement, evidenced in writing, entered into before 3 May 2006 between the particular person and the builder of a residential complex that is a single unit residential complex or a residential unit held in co-ownership, the particular person is the recipient of

(a) an exempt supply by way of lease of the land forming part of the residential complex or an exempt supply of such a lease by way of assignment, and

(b) an exempt supply by way of sale of all or part of the building in which the residential unit forming part of the residential complex is situated;

(2) possession of the residential complex is given to the particular person under the agreement after 31 December 2007;

(3) the builder is deemed to have made and received the supply of the residential complex under section 223 as a consequence of giving possession of the residential complex to the particular person under the agreement and to have paid tax provided for in section 16 in respect of the supply;

(4) the particular person is not entitled to claim a rebate under section 370.0.1 in respect of the residential complex; and

(5) the particular person is entitled to claim a rebate under paragraph *e* of subsection 2 of section 256.71 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex.

2009, c. 5, s. 672.

**670.47.** For the purposes of section 670.46, the rebate to which a particular person is entitled in respect of the residential complex is equal to 7.5% of the amount of the rebate to which the particular person is entitled under paragraph *e* of subsection 2 of section 256.71 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15).

The amount of the rebate referred to in the first paragraph is added to the amount of the rebate provided for in section 670.18.

2009, c. 5, s. 672.

**670.48.** Subject to section 670.51, a builder is entitled to a rebate determined in accordance with section 670.49 if

(1) under an agreement, evidenced in writing, entered into before 3 May 2006 between a particular person and the builder of a residential complex that is a single unit residential complex or a residential unit held in co-ownership, the builder makes to the particular person

(a) an exempt supply by way of lease of the land forming part of the residential complex or an exempt supply of such a lease by way of assignment, and

(b) an exempt supply by way of sale of all or part of the building in which the residential unit forming part of the residential complex is situated;

(2) possession of the residential complex is given to the particular person under the agreement after 31 December 2007;

(3) the builder is deemed to have made and received the supply of the residential complex under section 223 as a consequence of giving possession of the residential complex to the particular person under the agreement and to have paid tax provided for in section 16 in respect of the supply;

(4) the particular person is not entitled to claim a rebate under section 370.0.1 in respect of the residential complex;

(5) the builder is not entitled to claim an input tax refund or a rebate, other than a rebate under this section or section 670.20, in respect of the tax referred to in paragraph 3; and

(6) the builder is entitled to claim a rebate under paragraph *f* of subsection 2 of section 256.71 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex.

2009, c. 5, s. 672.

**670.49.** For the purposes of section 670.48, the rebate to which a builder is entitled in respect of the residential complex is equal to 7.5% of the amount of the rebate to which the builder is entitled under paragraph *f* of subsection 2 of section 256.71 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15).

The amount of the rebate referred to in the first paragraph is added to the amount of the rebate provided for in section 670.20.

2009, c. 5, s. 672.

**670.50.** If the supplies referred to in sections 670.42 to 670.49 are made to two or more individuals, a reference in those sections to a particular person is to be read as a reference to all of those individuals as a group, but, in the case of a rebate under section 670.42, only the individual who applied for the rebate under sections 370.0.1 to 370.4 may apply for the rebate under section 670.42.

2009, c. 5, s. 672.

**670.51.** A person is entitled to a rebate under sections 670.42 to 670.50 in respect of a residential complex only if the person applies for the rebate within two years after

(1) in the case of a rebate to a person other than the builder of the residential complex, the day on which possession of the residential complex is transferred to the person; and

(2) in the case of a rebate to the builder of the residential complex, the day that is the end of the month in which the tax referred to in paragraph 3 of section 670.44 or paragraph 3 of section 670.48 is deemed to have been paid by the builder.

2009, c. 5, s. 672.

**670.52.** Subject to section 670.55, a particular person is entitled to a rebate determined in accordance with section 670.53 if

(1) under an agreement, evidenced in writing, entered into between the particular person and the builder of a residential complex, other than a single unit residential complex or a residential unit held in co-ownership, or an addition to it, the particular person is the recipient of

(a) an exempt supply by way of lease of the land forming part of the residential complex or an exempt supply of such a lease by way of assignment, and

(b) an exempt supply by way of sale of all or part of the building in which a residential unit forming part of the residential complex or of the addition is situated;

(2) possession of a residential unit forming part of the residential complex or of the addition is given to the particular person under the agreement after 31 December 2007;

(3) the builder is deemed under section 225 or 226 to have made and received the supply of the residential complex or of the addition as a consequence of

(a) giving possession of the residential unit to the particular person under the agreement, or

(b) giving possession of a residential unit forming part of the residential complex or of the addition to another person under an agreement referred to in paragraph 1 entered into between the other person and the builder;

(4) the builder is deemed to have paid tax provided for in section 16 in respect of the supply;

(5) where the builder is deemed to have paid the tax referred to in paragraph 4 after 31 December 2007, it is the case that

(a) the builder and the particular person entered into the agreement before 3 May 2006, or

(b) the builder and a person, other than the particular person, before 3 May 2006, entered into an agreement referred to in paragraph 1 in respect of a residential unit situated in the residential complex or in the addition that the builder is deemed to have supplied under paragraph 3 and that agreement was not terminated before 1 July 2006; and

(6) the particular person is entitled to claim a rebate under subsection 1 of section 256.72 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex or of the addition.

2009, c. 5, s. 672.

**670.53.** For the purposes of section 670.52, the rebate to which a particular person is entitled, in respect of the residential complex or of an addition to it, is equal

(1) if the particular person is entitled to claim a rebate under section 370.0.1 or 370.3.1 in respect of the residential complex, to the amount determined by the formula

$$A \times 7.5\% \times (1 - B/C); \text{ and}$$

(2) if the particular person is not entitled to claim a rebate under section 370.0.1 or 370.3.1 in respect of the residential complex, to the result obtained by multiplying 7.5% by the amount of the rebate to which the particular person is entitled under paragraph *g* of subsection 1 of section 256.72 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex or of the addition.

For the purposes of the formula in subparagraph 1 of the first paragraph,

(1) *A* is the amount of the rebate to which the particular person is entitled under paragraph *f* of subsection 1 of section 256.72 of the Excise Tax Act in respect of the residential complex;

(2) *B* is the amount by which the amount of the rebate to which the particular person is entitled under section 370.0.1 or 370.3.1 in respect of the residential complex, exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the particular person is entitled under subsection 2 of section 254.1 of the Excise Tax Act in respect of the residential complex; and

(3) *C* is the amount determined by the formula

$$(D \times 7.5 / 107.5) - E.$$

For the purposes of the formula in subparagraph 3 of the second paragraph,

(1) *D* is the total of all amounts each of which is the consideration payable by the particular person to the builder for the supply by way of sale to the particular person of all or part of the building referred to in subparagraph *b* of paragraph 1 of section 670.52 or of any other structure that forms part of the residential complex, other than consideration that can reasonably be considered to be rent for the supplies of the land attributable to the residential complex or as consideration for the supply of an option to purchase that land; and

(2) E is the result obtained by multiplying 7.5% by the amount of the rebate to which the particular person is entitled under subsection 2 of section 254.1 of the Excise Tax Act in respect of the residential complex.

The amount of the rebate referred to in subparagraph 1 of the first paragraph is added to the amount of the rebate provided for in subparagraph 1 of the first paragraph of section 670.24.

The amount of the rebate referred to in subparagraph 2 of the first paragraph is added to the amount of the rebate provided for in subparagraph 2 of the first paragraph of section 670.24.

2009, c. 5, s. 672.

**670.54.** If the supplies referred to in sections 670.52 and 670.53 are made to two or more individuals, a reference in those sections to a particular person is to be read as a reference to all of those individuals as a group, but, in the case of a rebate under subparagraph 1 of the first paragraph of section 670.53, only the individual who applied for the rebate under sections 370.0.1 to 370.4 may apply for the rebate under that subparagraph.

2009, c. 5, s. 672.

**670.55.** A person is entitled to a rebate under section 670.52 in respect of a residential complex only if the person applies for the rebate within two years after the day on which possession of the residential unit referred to in paragraph 2 of section 670.52 is transferred to the person.

2009, c. 5, s. 672.

**670.56.** Subject to section 670.58, a builder is entitled to a rebate determined in accordance with section 670.57 if

(1) under an agreement, evidenced in writing, entered into between a particular person and the builder of a residential complex, other than a single unit residential complex or a residential unit held in co-ownership, or an addition to it, the builder makes to the particular person

(a) an exempt supply by way of lease of the land forming part of the residential complex or an exempt supply of such a lease by way of assignment, and

(b) an exempt supply by way of sale of all or part of the building in which a residential unit forming part of the residential complex or of the addition is situated;

(2) the builder is deemed under section 225 or 226 to have made and received the supply of the residential complex or of the addition after 31 December 2007 as a consequence of

(a) giving possession of the residential unit to the particular person under the agreement, or

(b) giving possession of a residential unit forming part of the residential complex or of the addition to a person other than the particular person under an agreement referred to in paragraph 1 entered into between the other person and the builder;

(3) it is the case that

(a) the builder and the particular person entered into the agreement before 3 May 2006, or

(b) the builder and a person, other than the particular person, before 3 May 2006, entered into an agreement referred to in paragraph 1 in respect of a residential unit situated in the residential complex or in the addition that the builder is deemed to have supplied under paragraph 2 and that agreement was not terminated before 1 July 2006;

(4) the builder is deemed to have paid tax provided for in section 16 in respect of the supply referred to in paragraph 2;

(5) the builder is not entitled to claim an input tax refund or a rebate, other than a rebate under this section or any of sections 378.8, 378.14 and 670.28, in respect of the tax referred to in paragraph 4; and

(6) the builder is entitled to claim a rebate under subsection 1 of section 256.73 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex or of the addition.

2009, c. 5, s. 672.

**670.57.** For the purposes of section 670.56, the rebate to which a builder is entitled, in respect of the residential complex or of the addition to it, is equal to the amount determined by the formula

$$A \times 7.5\% \times (1 - B/C).$$

For the purposes of the formula,

(1) A is the amount of the rebate to which the builder is entitled under subsection 1 of section 256.73 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex or of the addition;

(2) B is the amount by which the amount of the rebate to which the builder is entitled under section 378.8 or 378.14 in respect of the residential complex or of the addition, exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the builder is entitled under subsection 4 of section 256.2 of the Excise Tax Act in respect of the residential complex or of the addition; and

(3) C is the amount by which the amount of the tax payable under section 16 in respect of the supply deemed to have been made under section 225 or 226, exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the builder is entitled under subsection 4 of section 256.2 of the Excise Tax Act in respect of the residential complex or of the addition.

The amount of the rebate referred to in the first paragraph is added to the amount of the rebate provided for in section 670.28.

2009, c. 5, s. 672.

**670.58.** A builder is entitled to a rebate under section 670.56 in respect of a residential complex or of an addition to it only if the builder applies for the rebate within two years after the day that is the end of the month in which the tax referred to in section 670.56 is deemed to have been paid by the builder.

2009, c. 5, s. 672.

**670.59.** Subject to section 670.70, a particular person, other than a cooperative housing corporation, is entitled to a rebate determined in accordance with section 670.60 if

(1) pursuant to an agreement of purchase and sale, evidenced in writing and entered into after 2 May 2006 but before 31 October 2007, the particular person is the recipient of a taxable supply by way of sale from another person of a residential complex in respect of which ownership and possession under the agreement are transferred to the particular person after 31 December 2007;

(2) the particular person is entitled to claim a rebate under subsection 1 of section 256.74 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the supply of the residential complex;

(3) the particular person has paid all of the tax under section 16 in respect of the supply of the residential complex; and

(4) the particular person is not entitled to claim an input tax refund or a rebate, other than a rebate under this section, in respect of the tax referred to in paragraph 3.

2009, c. 5, s. 672.

**670.60.** For the purposes of section 670.59, the rebate to which a particular person is entitled in respect of the supply of a residential complex is equal to 7.5% of the amount of the rebate to which the particular person is entitled under subsection 1 of section 256.74 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15).

2009, c. 5, s. 672.

**670.61.** Subject to section 670.70, a particular person, other than a cooperative housing corporation, is entitled to a rebate determined in accordance with section 670.62 if

(1) pursuant to an agreement of purchase and sale, evidenced in writing and entered into after 2 May 2006 but before 31 October 2007, the particular person is the recipient of a taxable supply by way of sale from another person of a residential complex in respect of which ownership and possession under the agreement are transferred to the particular person after 31 December 2007;

(2) the particular person is entitled to claim a rebate under subsection 2 of section 256.74 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the supply of the residential complex;

(3) the particular person has paid all of the tax under section 16 in respect of the supply of the residential complex; and

(4) the particular person is entitled to claim a rebate under section 378.6 or 378.14 in respect of a residential unit situated in the residential complex.

2009, c. 5, s. 672.

**670.62.** For the purposes of section 670.61, the rebate to which a particular person is entitled, in respect of the supply of a residential complex, is equal to the amount determined by the formula

$$A \times 7.5\% \times (1 - B/C).$$

For the purposes of the formula,

(1) A is the amount of the rebate to which the particular person is entitled under subsection 2 of section 256.74 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the supply of the residential complex;

(2) B is the amount by which the amount of the rebate to which the particular person is entitled under section 378.6 or 378.14 in respect of the supply of the residential complex, exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the particular person is entitled under subsection 3 of section 256.2 of the Excise Tax Act in respect of the supply of the residential complex; and

(3) C is the amount by which the amount of tax payable by the particular person under section 16 in respect of the supply of the residential complex, exceeds the result obtained by multiplying 7.5% by the



amount of the rebate to which the particular person is entitled under subsection 3 of section 256.2 of the Excise Tax Act in respect of the supply of the residential complex.

2009, c. 5, s. 672.

**670.63.** Subject to section 670.70, a particular person, other than a cooperative housing corporation, is entitled to a rebate determined in accordance with section 670.64 if

(1) pursuant to an agreement of purchase and sale, evidenced in writing and entered into after 2 May 2006 but before 31 October 2007, the particular person is the recipient of a taxable supply by way of sale from another person of a residential complex in respect of which ownership and possession under the agreement are transferred to the particular person after 31 December 2007;

(2) the particular person is entitled to claim a rebate under subsection 3 of section 256.74 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the supply of the residential complex;

(3) the particular person has paid all of the tax under section 16 in respect of the supply of the residential complex; and

(4) the particular person is entitled to claim a rebate under sections 383 to 388, 389 and 394 to 397.2 in respect of the tax referred to in paragraph 3 but is not entitled to claim an input tax refund or any other rebate, other than a rebate under this section, in respect of that tax.

2009, c. 5, s. 672.

**670.64.** For the purposes of section 670.63, the rebate to which a particular person is entitled in respect of the supply of a residential complex is equal to 7.5% of the amount of the rebate to which the particular person is entitled under subsection 3 of section 256.74 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15).

2009, c. 5, s. 672.

**670.65.** Subject to section 670.70, a cooperative housing corporation is entitled to a rebate determined in accordance with section 670.66 if

(1) pursuant to an agreement of purchase and sale, evidenced in writing and entered into after 2 May 2006 but before 31 October 2007, the cooperative housing corporation is the recipient of a taxable supply by way of sale from another person of a residential complex in respect of which ownership and possession under the agreement are transferred to the cooperative housing corporation after 31 December 2007;

(2) the cooperative housing corporation is entitled to claim a rebate under subsection 4 of section 256.74 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the supply of the residential complex;

(3) the cooperative housing corporation has paid all of the tax under section 16 in respect of the supply of the residential complex; and

(4) the cooperative housing corporation is not entitled to claim an input tax refund or a rebate, other than a rebate under this section or any of sections 378.10, 378.14, 383 to 388, 389 and 394 to 397.2, in respect of the tax referred to in paragraph 3.

2009, c. 5, s. 672.

**670.66.** For the purposes of section 670.65, the rebate to which a cooperative housing corporation is entitled in respect of the supply of a residential complex is equal

(1) in the case where the cooperative housing corporation is entitled to claim a rebate under sections 383 to 388, 389 and 394 to 397.2 in respect of the supply of the residential complex, to the result obtained by

multiplying 7.5% by the amount of the rebate to which the cooperative housing corporation is entitled under subsection 4 of section 256.74 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the supply of the residential complex, if B in the formula in that subsection is the amount provided for in clause B of subparagraph i of that subsection;

(2) in the case where the cooperative housing corporation is not entitled to claim a rebate under sections 383 to 388, 389 and 394 to 397.2 in respect of the supply of the residential complex, and the cooperative housing corporation is entitled to, or can reasonably expect to be entitled to, claim a rebate under section 378.10 in respect of a residential unit situated in a residential complex or it is the case that, or it can reasonably be expected that, a share of the capital stock of the cooperative housing corporation is or will be sold to a particular individual for the purpose of using a residential unit situated in the residential complex as the primary place of residence of the particular individual, of an individual related to the particular individual or of a former spouse of the particular individual, and that the particular individual is or will be entitled to claim a rebate under section 370.5 in respect of the share of the capital stock, to the amount determined by the formula

$$A - (36\% \times A); \text{ and}$$

(3) in any other case, to the result obtained by multiplying 7.5% by the amount of the rebate to which the cooperative housing corporation is entitled under subsection 4 of section 256.74 of the Excise Tax Act in respect of the supply of the residential complex.

For the purposes of the formula in subparagraph 2 of the first paragraph, A is the amount obtained by multiplying 7.5% by the amount of the rebate to which the cooperative housing corporation is entitled under subsection 4 of section 256.74 of the Excise Tax Act in respect of the supply of the residential complex, if B in the formula in that subsection is the amount provided for in subparagraph ii of that subsection.

2009, c. 5, s. 672.

**670.67.** Subject to section 670.70, a particular individual is entitled to a rebate determined in accordance with section 670.68 if

(1) pursuant to an agreement of purchase and sale, evidenced in writing and entered into after 2 May 2006 but before 31 October 2007, the particular individual is the recipient of a taxable supply by way of sale from another person of a residential complex in respect of which ownership and possession under the agreement are transferred to the particular individual after 31 December 2007;

(2) the particular individual is entitled to claim a rebate under subsection 5 of section 256.74 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the supply of the residential complex;

(3) the particular individual has paid all of the tax under section 16 in respect of the supply of the residential complex; and

(4) the particular individual is entitled to claim a rebate under section 362.2 or 368.1 in respect of the residential complex.

2009, c. 5, s. 672.

**670.68.** For the purposes of section 670.67, the rebate to which a particular individual is entitled, in respect of the supply of a residential complex, is equal to the amount determined by the formula

$$A \times 7.5\% \times (1 - B/C).$$

For the purposes of the formula,

(1) A is the amount of the rebate to which the particular individual is entitled under subsection 5 of section 256.74 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the supply of the residential complex;

(2) B is the amount by which the amount of the rebate to which the particular individual is entitled under section 362.2 or 368.1 in respect of the supply of the residential complex, exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the particular individual is entitled under subsection 2 of section 254 of the Excise Tax Act in respect of the supply of the residential complex; and

(3) C is the amount by which the amount of tax payable by the particular individual under section 16 in respect of the supply of the residential complex, exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the particular individual is entitled under subsection 2 of section 254 of the Excise Tax Act in respect of the supply of the residential complex.

2009, c. 5, s. 672.

**670.69.** If a supply of a residential complex is made to two or more individuals, a reference in sections 670.67 and 670.68 to a particular individual is to be read as a reference to all of those individuals as a group, but only the particular individual who applied for the rebate under sections 360.5 and 362.2 to 370 may apply for the rebate under section 670.67.

2009, c. 5, s. 672.

**670.70.** A person is entitled to a rebate under sections 670.59 to 670.69 in respect of a residential complex only if the person applies for the rebate within two years after the day on which ownership of the residential complex is transferred to the person.

2009, c. 5, s. 672.

**670.71.** Subject to section 670.80, a particular person is entitled to a rebate determined in accordance with section 670.72 if

(1) under an agreement, evidenced in writing, entered into after 2 May 2006 but before 31 October 2007 between the particular person and the builder of a residential complex that is a single unit residential complex or a residential unit held in co-ownership, the particular person is the recipient of

(a) an exempt supply by way of lease of the land forming part of the residential complex or an exempt supply of such a lease by way of assignment, and

(b) an exempt supply by way of sale of all or part of the building in which the residential unit forming part of the residential complex is situated;

(2) possession of the residential complex is given to the particular person under the agreement after 31 December 2007;

(3) the builder is deemed to have made and received the supply of the residential complex under section 223 as a consequence of giving possession of the residential complex to the particular person under the agreement and to have paid tax provided for in section 16 in respect of the supply;

(4) the particular person is entitled to claim a rebate under section 370.0.1 or 370.3.1 in respect of the residential complex; and

(5) the particular person is entitled to claim a rebate under paragraph *e* of subsection 1 of section 256.75 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex.

2009, c. 5, s. 672.

**670.72.** For the purposes of section 670.71, the rebate to which a particular person is entitled, in respect of the residential complex, is equal to the amount determined by the formula

$$A \times 7.5\% \times (1 - B/C).$$

For the purposes of the formula in the first paragraph,

(1) *A* is the amount of the rebate to which the particular person is entitled under paragraph *e* of subsection 1 of section 256.75 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex;

(2) *B* is the amount by which the amount of the rebate to which the particular person is entitled under section 370.0.1 or 370.3.1 in respect of the residential complex, exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the particular person is entitled under subsection 2 of section 254.1 of the Excise Tax Act in respect of the residential complex; and

(3) *C* is the amount determined by the formula

$$(D \times 7.5 / 107.5) - E.$$

For the purposes of the formula in subparagraph 3 of the second paragraph,

(1) *D* is the total of all amounts each of which is the consideration payable by the particular person to the builder for the supply by way of sale to the particular person of all or part of the building referred to in subparagraph *b* of paragraph 1 of section 670.71 or of any other structure that forms part of the residential complex, other than consideration that can reasonably be considered to be rent for the supplies of the land attributable to the residential complex or as consideration for the supply of an option to purchase that land; and

(2) *E* is the result obtained by multiplying 7.5% by the amount of the rebate to which the particular person is entitled under subsection 2 of section 254.1 of the Excise Tax Act in respect of the residential complex.

2009, c. 5, s. 672.

**670.73.** Subject to section 670.80, a builder is entitled to a rebate determined in accordance with section 670.74 if

(1) under an agreement, evidenced in writing, entered into after 2 May 2006 but before 31 October 2007 between a particular person and the builder of a residential complex that is a single unit residential complex or a residential unit held in co-ownership, the builder makes to the particular person

(a) an exempt supply by way of lease of the land forming part of the residential complex or an exempt supply of such a lease by way of assignment, and

(b) an exempt supply by way of sale of all or part of the building in which the residential unit forming part of the residential complex is situated;

(2) possession of the residential complex is given to the particular person under the agreement after 31 December 2007;

(3) the builder is deemed to have made and received the supply of the residential complex under section 223 as a consequence of giving possession of the residential complex to the particular person under the agreement and to have paid tax provided for in section 16 in respect of the supply;

(4) the particular person is entitled to claim a rebate under section 370.0.1 or 370.3.1 in respect of the residential complex;

(5) the builder is not entitled to claim an input tax refund or a rebate, other than a rebate under this section or section 378.8 or 378.14, in respect of the tax referred to in paragraph 3; and

(6) the builder is entitled to claim a rebate under paragraph *f* of subsection 1 of section 256.75 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex.

2009, c. 5, s. 672.

**670.74.** For the purposes of section 670.73, the rebate to which a builder is entitled, in respect of the residential complex, is equal to the amount determined by the formula

$$A \times 7.5 \% \times (1 - B/C).$$

For the purposes of the formula,

(1) A is the amount of the rebate to which the builder is entitled under paragraph *f* of subsection 1 of section 256.75 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex;

(2) B is the amount by which the amount of the rebate to which the builder is entitled under section 378.8 or 378.14 in respect of the residential complex, exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the builder is entitled under subsection 4 of section 256.2 of the Excise Tax Act in respect of the residential complex; and

(3) C is the amount by which the amount of the tax payable under section 16 in respect of the supply deemed to have been made under section 223, exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the builder is entitled under subsection 4 of section 256.2 of the Excise Tax Act in respect of the residential complex.

2009, c. 5, s. 672.

**670.75.** Subject to section 670.80, a particular person is entitled to a rebate determined in accordance with section 670.76 if

(1) under an agreement, evidenced in writing, entered into after 2 May 2006 but before 31 October 2007 between the particular person and the builder of a residential complex that is a single unit residential complex or a residential unit held in co-ownership, the particular person is the recipient of

(a) an exempt supply by way of lease of the land forming part of the residential complex or an exempt supply of such a lease by way of assignment, and

(b) an exempt supply by way of sale of all or part of the building in which the residential unit forming part of the residential complex is situated;

(2) possession of the residential complex is given to the particular person under the agreement after 31 December 2007;

(3) the builder is deemed to have made and received the supply of the residential complex under section 223 as a consequence of giving possession of the residential complex to the particular person under the agreement and to have paid tax provided for in section 16 in respect of the supply;

(4) the particular person is not entitled to claim a rebate under section 370.0.1 in respect of the residential complex; and

(5) the particular person is entitled to claim a rebate under paragraph *e* of subsection 2 of section 256.75 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex.

2009, c. 5, s. 672.

**670.76.** For the purposes of section 670.75, the rebate to which a particular person is entitled in respect of the residential complex is equal to 7.5% of the amount of the rebate to which the particular person is entitled under paragraph *e* of subsection 2 of section 256.75 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15).

2009, c. 5, s. 672.

**670.77.** Subject to section 670.80, a builder is entitled to a rebate determined in accordance with section 670.78 if

(1) under an agreement, evidenced in writing, entered into after 2 May 2006 but before 31 October 2007 between a particular person and the builder of a residential complex that is a single unit residential complex or a residential unit held in co-ownership, the builder makes to the particular person

(a) an exempt supply by way of lease of the land forming part of the residential complex or an exempt supply of such a lease by way of assignment, and

(b) an exempt supply by way of sale of all or part of the building in which the residential unit forming part of the residential complex is situated;

(2) possession of the residential complex is given to the particular person under the agreement after 31 December 2007;

(3) the builder is deemed to have made and received the supply of the residential complex under section 223 as a consequence of giving possession of the residential complex to the particular person under the agreement and to have paid tax provided for in section 16 in respect of the supply;

(4) the particular person is not entitled to claim a rebate under section 370.0.1 in respect of the residential complex;

(5) the builder is not entitled to claim an input tax refund or a rebate, other than a rebate under this section, in respect of the tax referred to in paragraph 3; and

(6) the builder is entitled to claim a rebate under paragraph *f* of subsection 2 of section 256.75 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex.

2009, c. 5, s. 672.

**670.78.** For the purposes of section 670.77, the rebate to which a builder is entitled in respect of the residential complex is equal to 7.5% of the amount of the rebate to which the builder is entitled under

paragraph *f* of subsection 2 of section 256.75 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15).

2009, c. 5, s. 672.

**670.79.** If the supplies referred to in sections 670.71 to 670.78 are made to two or more individuals, a reference in those sections to a particular person is to be read as a reference to all of those individuals as a group, but, in the case of a rebate under section 670.71, only the individual who applied for the rebate under sections 370.0.1 to 370.4 may apply for the rebate under section 670.71.

2009, c. 5, s. 672.

**670.80.** A person is entitled to a rebate under sections 670.71 to 670.79 in respect of a residential complex only if the person applies for the rebate within two years after

(1) in the case of a rebate to a person other than the builder of the residential complex, the day on which possession of the residential complex is transferred to the person; and

(2) in the case of a rebate to the builder of the residential complex, the day that is the end of the month in which the tax referred to in paragraph 3 of section 670.73 or paragraph 3 of section 670.77 is deemed to have been paid by the builder.

2009, c. 5, s. 672.

**670.81.** Subject to section 670.84, a particular person is entitled to a rebate determined in accordance with section 670.82 if

(1) under an agreement, evidenced in writing, entered into between the particular person and the builder of a residential complex, other than a single unit residential complex or a residential unit held in co-ownership, or an addition to it, the particular person is the recipient of

(a) an exempt supply by way of lease of the land forming part of the residential complex or an exempt supply of such a lease by way of assignment, and

(b) an exempt supply by way of sale of all or part of the building in which a residential unit forming part of the residential complex or of the addition is situated;

(2) possession of a residential unit forming part of the residential complex or of the addition is given to the particular person under the agreement after 31 December 2007;

(3) the builder is deemed under section 225 or 226 to have made and received the supply of the residential complex or of the addition as a consequence of

(a) giving possession of the residential unit to the particular person under the agreement, or

(b) giving possession of a residential unit forming part of the residential complex or of the addition to another person under an agreement referred to in paragraph 1 entered into between the other person and the builder;

(4) the builder is deemed to have paid tax provided for in section 16 in respect of the supply;

(5) where the builder is deemed to have paid the tax referred to in paragraph 4 after 31 December 2007, it is the case that

(a) the builder and the particular person entered into the agreement after 2 May 2006 but before 31 October 2007, or

(b) the builder and a person, other than the particular person, after 2 May 2006 but before 31 October 2007, entered into an agreement referred to in paragraph 1 in respect of a residential unit situated in the residential complex or in the addition that the builder is deemed to have supplied under paragraph 3 and that agreement was not terminated before 1 January 2008; and

(6) the particular person is entitled to claim a rebate under subsection 1 of section 256.76 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex or of the addition.

2009, c. 5, s. 672.

**670.82.** For the purposes of section 670.81, the rebate to which a particular person is entitled, in respect of the residential complex or of an addition to it, is equal

(1) if the particular person is entitled to claim a rebate under section 370.0.1 or 370.3.1 in respect of the residential complex, to the amount determined by the formula

$$A \times 7.5 \% \times (1 - B/C); \text{ and}$$

(2) if the particular person is not entitled to claim a rebate under section 370.0.1 or 370.3.1 in respect of the residential complex, to the result obtained by multiplying 7.5% by the amount of the rebate to which the particular person is entitled under paragraph g of subsection 1 of section 256.76 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex or of the addition.

For the purposes of the formula in subparagraph 1 of the first paragraph,

(1) A is the amount of the rebate to which the particular person is entitled under paragraph f of subsection 1 of section 256.76 of the Excise Tax Act in respect of the residential complex;

(2) B is the amount by which the amount of the rebate to which the particular person is entitled under section 370.0.1 or 370.3.1 in respect of the residential complex, exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the particular person is entitled under subsection 2 of section 254.1 of the Excise Tax Act in respect of the residential complex; and

(3) C is the amount determined by the formula

$$(D \times 7.5 / 107.5) - E.$$

For the purposes of the formula in subparagraph 3 of the second paragraph,

(1) D is the total of all amounts each of which is the consideration payable by the particular person to the builder for the supply by way of sale to the particular person of all or part of the building referred to in subparagraph b of paragraph 1 of section 670.81 or of any other structure that forms part of the residential complex, other than consideration that can reasonably be considered to be rent for the supplies of the land attributable to the residential complex or as consideration for the supply of an option to purchase that land; and

(2) E is the result obtained by multiplying 7.5% by the amount of the rebate to which the particular person is entitled under subsection 2 of section 254.1 of the Excise Tax Act in respect of the residential complex.

2009, c. 5, s. 672.



**670.83.** If the supplies referred to in sections 670.81 and 670.82 are made to two or more individuals, a reference in those sections to a particular person is to be read as a reference to all of those individuals as a group, but, in the case of a rebate under subparagraph 1 of the first paragraph of section 670.82, only the individual who applied for the rebate under sections 370.0.1 to 370.4 may apply for the rebate under that subparagraph.

2009, c. 5, s. 672.

**670.84.** A person is entitled to a rebate under section 670.81 in respect of a residential complex only if the person applies for the rebate within two years after the day on which possession of the residential unit referred to in paragraph 2 of section 670.81 is transferred to the person.

2009, c. 5, s. 672.

**670.85.** Subject to section 670.87, a builder is entitled to a rebate determined in accordance with section 670.86 if

(1) under an agreement, evidenced in writing, entered into between a particular person and the builder of a residential complex, other than a single unit residential complex or a residential unit held in co-ownership, or an addition to it, the builder makes to the particular person

(a) an exempt supply by way of lease of the land forming part of the residential complex or an exempt supply of such a lease by way of assignment, and

(b) an exempt supply by way of sale of all or part of the building in which a residential unit forming part of the residential complex or of the addition is situated;

(2) the builder is deemed under section 225 or 226 to have made and received the supply of the residential complex or of the addition after 31 December 2007 as a consequence of

(a) giving possession of the residential unit to the particular person under the agreement, or

(b) giving possession of a residential unit forming part of the residential complex or of the addition to a person other than the particular person under an agreement referred to in paragraph 1 entered into between the other person and the builder;

(3) it is the case that

(a) the builder and the particular person entered into the agreement after 2 May 2006 but before 31 October 2007, or

(b) the builder and a person, other than the particular person, after 2 May 2006 but before 31 October 2007, entered into an agreement referred to in paragraph 1 in respect of a residential unit situated in the residential complex or in the addition that the builder is deemed to have supplied under paragraph 2 and that agreement was not terminated before 1 January 2008;

(4) the builder is deemed to have paid tax provided for in section 16 in respect of the supply referred to in paragraph 2;

(5) the builder is not entitled to claim an input tax refund or a rebate, other than a rebate under this section or section 378.8 or 378.14, in respect of the tax referred to in paragraph 4; and

(6) the builder is entitled to claim a rebate under subsection 1 of section 256.77 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex or of the addition.

2009, c. 5, s. 672.

**670.86.** For the purposes of section 670.85, the rebate to which a builder is entitled, in respect of the residential complex or of the addition to it, is equal to the amount determined by the formula

$$A \times 7.5\% \times (1 - B/C).$$

For the purposes of the formula,

(1) A is the amount of the rebate to which the builder is entitled under subsection 1 of section 256.77 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the residential complex or of the addition;

(2) B is the amount by which the amount of the rebate to which the builder is entitled under section 378.8 or 378.14 in respect of the residential complex or of the addition, exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the builder is entitled under subsection 4 of section 256.2 of the Excise Tax Act in respect of the residential complex or of the addition; and

(3) C is the amount by which the amount of the tax payable under section 16 in respect of the supply deemed to have been made under section 225 or 226, exceeds the result obtained by multiplying 7.5% by the amount of the rebate to which the builder is entitled under subsection 4 of section 256.2 of the Excise Tax Act in respect of the residential complex or of the addition.

2009, c. 5, s. 672.

**670.87.** A builder is entitled to a rebate under section 670.85 in respect of a residential complex or of an addition to it only if the builder applies for the rebate within two years after the day that is the end of the month in which the tax referred to in section 670.85 is deemed to have been paid by the builder.

2009, c. 5, s. 672.

### **DIVISION III**

#### **REBATE IN RESPECT OF CERTAIN SUPPLIES**

*§ 1. — Measures applicable from 25 October 1991 to 1 April 1992*

1993, c. 19, s. 252; 1995, c. 1, s. 346.

**671.** The recipient of a supply described in section 673 is entitled to obtain from the supplier a rebate of the amount paid by him as tax in respect of such supply.

This section has effect from 25 October 1991 to 1 April 1992.

1991, c. 67, s. 671.

**672.** Where a person has made a supply referred to in section 671, he shall rebate to the recipient the amount paid by the recipient as tax in respect of the supply and keep evidence thereof. Following such rebate and to the extent that the amount has been remitted to the Minister, the person may

(1) deduct the amount from the amount to be remitted by the person to the Minister for the month under the Retail Sales Tax Act (chapter I-1), the Broadcast Advertising Tax Act (chapter T-2) or the Telecommunications Tax Act (chapter T-4);

(2) where subparagraph 1 may not be applied, claim a refund of the amount from the Minister.

Where the supplier fails to rebate the amount to the recipient on or before 1 April 1992, the supplier shall, on or before 15 April 1992, make a report to the Minister and remit to him the amounts collected but not rebated.

This section has effect from 25 October 1991.

1991, c. 67, s. 672.

**673.** A supply to which this subdivision applies is a supply which meets the following conditions:

(1) tax under the Retail Sales Tax Act (chapter I-1), the Broadcast Advertising Tax Act (chapter T-2) or the Telecommunications Tax Act (chapter T-4) does not apply to the property or service supplied;

(2) no tax is or will be payable in respect of the supply by reason of sections 623, 625, 628, 640, 648, 649, 652 and 685.

This section has effect from 25 October 1991.

1991, c. 67, s. 673; 1993, c. 19, s. 253.

**674.** For the purposes of sections 20, 24 to 26 and 27.1 of the Act respecting the Ministère du Revenu (chapter M-31), an amount collected as tax in respect of a supply referred to in section 671 is deemed to have been collected under a fiscal law. Similarly, for the purposes of sections 21 and 21.1 of the said Act in respect of a person who has made a supply referred to in section 671, such an amount is deemed to have been collected under a fiscal law.

This section has effect from 25 October 1991.

1991, c. 67, s. 674.

*§ 2. — Measures applicable from 15 May 1992 to 1 September 1992*

1993, c. 19, s. 254; 1995, c. 1, s. 347.

**674.1.** The recipient of a supply described in section 674.3 is entitled to obtain from the supplier a rebate of the amount paid by him which exceeds the amount he should have paid as tax in respect of such supply.

This section has effect from 15 May 1992 to 1 September 1992.

1993, c. 19, s. 254.

**674.2.** Where a person has made a supply referred to in section 674.1, he shall rebate to the recipient the amount paid by the recipient which exceeds the amount the recipient should have paid as tax in respect of the supply and keep evidence thereof. Following such rebate and to the extent that the amount has been remitted to the Minister, the person may

(1) deduct the amount from the amount to be remitted by the person to the Minister for the month under the Retail Sales Tax Act (chapter I-1), the Broadcast Advertising Tax Act (chapter T-2), the Telecommunications Tax Act (chapter T-4) or this Act;

(2) where subparagraph 1 may not be applied, claim a refund of the amount from the Minister.

Where the supplier fails to rebate the amount to the recipient on or before 1 September 1992, the supplier shall, on or before 30 September 1992, make a report to the Minister and remit to him the amounts collected but not rebated.

This section has effect from 15 May 1992.

1993, c. 19, s. 254.

**674.3.** A supply to which this subdivision applies is a supply which meets the following conditions:

(1) tax under the Retail Sales Tax Act (chapter I-1), the Broadcast Advertising Tax Act (chapter T-2) or the Telecommunications Tax Act (chapter T-4) does not apply to the property or service supplied;

(2) tax at the rate of 4% is or will be payable in respect of the supply by reason of section 623, 627, 628, 639, 640, 652 or 685.

This section has effect from 15 May 1992.

1993, c. 19, s. 254.

**674.4.** For the purposes of sections 20, 24 to 26 and 27.1 of the Act respecting the Ministère du Revenu (chapter M-31), an amount collected as tax in respect of a supply referred to in section 674.1 is deemed to have been collected under a fiscal law. Similarly, for the purposes of sections 21 and 21.1 of the said Act in respect of a person who has made a supply referred to in section 674.1, such an amount is deemed to have been collected under a fiscal law.

This section has effect from 15 May 1992.

1993, c. 19, s. 254.

**§ 3. — *Measures applicable from 13 May 1994***

1995, c. 1, s. 348.

**674.4.1.** Where a person received before 13 May 1994 a taxable supply of a service in respect of which the person paid tax under section 16 at the rate of 8% or 4%, as the case may be, the supplier refunds or credits to the person after 12 May 1994 the consideration for the supply of the service, or a part thereof, the person is entitled to obtain from the supplier a refund of the tax paid in respect of the consideration or the part thereof so refunded or credited and the supplier shall refund the tax to the person.

This section does not apply in respect of a supply of a service in respect of which tax under section 16 was paid at the rate of 8% where it may reasonably be regarded that the purpose sought by the person having received the supply and the supplier having made it is to allow the person to receive a new supply, similar to the initial supply, in respect of which tax under section 16 is payable at the rate of 6.5%.

1995, c. 1, s. 348.

**674.4.2.** Where a supplier refunds all or part of the tax paid by a person in respect of a supply (in this section referred to as the “amount of tax”) to that person under section 674.4.1, the following rules apply:

(1) the amount of tax may be deducted in determining the net tax of the supplier for the reporting period of the supplier in which the refund is made, to the extent that the amount of tax has been included in determining the net tax of the supplier for the period or a preceding reporting period of the supplier; and

(2) the amount of tax shall be added in determining the net tax of the person for the reporting period of the person in which the refund is made, to the extent that the amount of tax has been included in determining the input tax refund of the person claimed in the return filed for the period or a preceding reporting period of the person.

1995, c. 1, s. 348.

## **DIVISION IV**

### **REBATE FOLLOWING THE REDUCTION OF A CONSIDERATION**

1994, c. 22, s. 641.

**674.5.** Where a person remits tax under section 628 or 640 calculated on the consideration or a part thereof for a taxable supply and that consideration or part thereof is subsequently reduced, to the extent that the person did not claim, and is not, but for this section, entitled to claim, an input tax refund or a rebate in respect of the portion of the tax that was calculated on the amount by which the consideration or part thereof was reduced, that portion is deemed, for the purpose of determining a rebate under sections 400 to 402.2, to be an amount that was not payable or remittable by the person.

This section does not apply in circumstances in which section 57 or sections 213 to 219 apply.

1994, c. 22, s. 641.

## **DIVISION V**

### **ANTI-AVOIDANCE RULE**

1994, c. 22, s. 641.

**674.6.** Chapter IX of Title I applies to Divisions I to III of this chapter, with the necessary modifications.

1994, c. 22, s. 641; 1997, c. 3, s. 135.

## **CHAPTER VII**

### **REGISTRATION**

**675.** Every person who, on 30 June 1992, holds a registration certificate issued under the Retail Sales Tax Act (chapter I-1) is deemed to be registered under Division I of Chapter VIII of Title I on 1 July 1992.

1991, c. 67, s. 675.

**676.** Notwithstanding section 407 and subject to section 675, where a person is a small supplier and, on 30 June 1992, a registrant under Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), the person shall file an application for registration with the Minister.

1991, c. 67, s. 676.

## **TITLE VII**

### **REGULATIONS**

**677.** The Government may, by regulation,

(1) determine, for the purposes of the definition of “specified corporeal movable property” in section 1, which movable property is prescribed movable property;

(1.1) determine, for the purposes of the definition of “virtual payment instrument” in section 1, which property is prescribed property;

(2) determine, for the purposes of the definition of “financial instrument” in section 1, which instruments are prescribed instruments;

(2.1) determine, for the purposes of the definition of “pension entity” in section 1, which person is a prescribed person;

(2.1.1) determine, for the purposes of the definition of “taxi business” in section 1, the prescribed businesses and prescribed activities;

(2.2) determine, for the purposes of the definition of “investment plan” in section 1, which person is a prescribed person;

(3) determine, for the purposes of the definition of “financial service” in section 1, which services are prescribed services for the purposes of its paragraphs 13, 17, 18.3, 18.4, 18.6 and 20 and which property is prescribed property for the purposes of its paragraph 18.5;

(3.1) determine, for the purposes of the definition of “asset management service” in section 1, which services are prescribed services;

(3.2) determine, for the purposes of the definition of “emission allowance” in section 1, the prescribed allowances, the prescribed credits, the prescribed instruments, the prescribed schemes and the prescribed arrangements for the purposes of its paragraph 1 and which property is prescribed property for the purposes of its paragraph 2;

(3.3) determine, for the purposes of section 12.2, the prescribed members;

(4) determine, for the purposes of section 17, prescribed circumstances and the prescribed manner;

(4.0.1) determine, for the purposes of section 17.4.1, which amounts of tax are prescribed amounts of tax;

(4.1) *(subparagraph repealed)*;

(5) determine, for the purposes of subparagraphs 1, 2, 3, 3.1 and 4 of the first paragraph of section 18, which supplies are prescribed supplies;

(5.1) determine, for the purposes of section 18.0.1, which supply of property or a service is a prescribed supply and which circumstances and terms and conditions are prescribed circumstances and prescribed terms and conditions;

(5.2) determine, for the purposes of section 18.0.3, which amounts of tax are prescribed amounts of tax;

(6) *(subparagraph repealed)*;

(7) *(subparagraph repealed)*;

(7.1) determine, for the purposes of section 22.30, which supply of property or a service is a prescribed supply;

(7.2) determine, for the purposes of section 22.31, which services are prescribed services;

(8) *(subparagraph repealed)*;

(8.1) determine, for the purposes of section 24.1, which corporeal movable property is prescribed corporeal movable property;

(9) determine, for the purposes of section 29, which services are prescribed services;

(9.1) determine, for the purposes of section 29.1, the prescribed mandataries;

(10) *(subparagraph repealed)*;

- (10.0.1) determine, for the purposes of section 41.2.1, property that is prescribed property;
- (10.1) determine, for the purposes of section 41.6, which registrants are prescribed registrants;
- (10.2) determine, for the purposes of the definition of “excluded input” in section 42.0.10, which property and services are prescribed property and services;
- (10.3) determine, for the purposes of sections 42.0.13 and 42.0.14, which percentage is a prescribed percentage and which classes are prescribed classes;
- (11) determine, for the purposes of section 52, prescribed duties, fees or taxes;
- (12) determine, for the purposes of section 76, which purposes and provisions are prescribed purposes and provisions;
- (13) determine, for the purposes of section 77, which purposes and provisions are prescribed purposes and provisions;
- (14) determine, for the purposes of section 81, which goods are prescribed goods for the purposes of paragraph 8 thereof and which circumstances, goods and terms and conditions are prescribed circumstances, prescribed goods and prescribed terms and conditions, for the purposes of paragraph 9 thereof;
- (15) determine, for the purposes of section 117, which health care services are prescribed health care services;
- (15.1) determine, for the purposes of section 119.2, which supplies are prescribed supplies and, for the purposes of subparagraph *b* of subparagraph 2 of the first paragraph of that section, which persons or classes of persons and circumstances or conditions are prescribed persons or prescribed classes of persons and prescribed circumstances or conditions;
- (16) determine, for the purposes of section 128, which courses are prescribed equivalent courses;
- (17) *(subparagraph repealed)*;
- (18) determine, for the purposes of section 131, which food or beverages are prescribed food or beverages;
- (18.1) determine, for the purposes of paragraph 9 of section 138.1, which persons are prescribed persons and which games of chance are prescribed games of chance;
- (19) determine, for the purposes of section 146, which persons are prescribed persons and which games of chance are prescribed games of chance;
- (20) determine, for the purposes of section 147, which persons are prescribed persons;
- (21) determine, for the purposes of paragraph 30 of section 176, which property or services are prescribed property or services;
- (22) determine that any beverage of a prescribed class intended for use or consumption in an establishment described in paragraph 18 of section 177, or outside such establishment, must be in a container identified as prescribed by the Minister or of a prescribed size and must be sold and delivered in that container, prescribe that such containers are to be used exclusively by the establishment and determine which persons are prescribed persons for the purposes of such obligations in respect of a beverage of a prescribed class and which requirements are applicable to such persons;
- (23) determine, for the purposes of paragraph 10 of section 178, which property is prescribed property;

- (23.1) determine, for the purposes of section 188.1, the prescribed supplies;
- (23.1.1) *(subparagraph repealed)*;
- (23.2) determine, for the purposes of section 199.0.0.1, which amounts of tax are prescribed amounts of tax;
- (24) determine, for the purposes of section 201, which information is prescribed information;
- (25) *(subparagraph repealed)*;
- (26) *(subparagraph repealed)*;
- (27) *(subparagraph repealed)*;
- (28) determine, for the purposes of section 237, which property is prescribed property;
- (28.1) determine, for the purposes of section 237.3, which sections and circumstances are prescribed sections and prescribed circumstances;
- (28.2) determine, for the purposes of section 244.1, which mandataries of a government are prescribed mandataries;
- (29) determine, for the purposes of section 246, which registrants are prescribed registrants;
- (30) determine, for the purposes of section 260, which registrants are prescribed registrants;
- (30.1) *(subparagraph repealed)*;
- (30.2) determine, for the purposes of section 267.1, the mandataries of a government that are prescribed mandataries;
- (31) determine, for the purposes of section 279, the prescribed manner and which registrants are prescribed registrants;
- (31.0.1) *(subparagraph repealed)*;
- (31.0.2) determine, for the purposes of the definition of “excluded activity” in the first paragraph of section 289.2, which purposes are prescribed purposes;
- (31.0.3) determine, for the purposes of section 289.9, which circumstances are prescribed circumstances and which persons are prescribed persons;
- (31.0.4) determine, for the purposes of section 289.9.1, which circumstances are prescribed circumstances and which persons are prescribed persons;
- (31.1) *(subparagraph repealed)*;
- (31.1.1) determine, for the purposes of subparagraph *b* of subparagraph 2 of the first paragraph of section 290, the percentage of the total consideration;
- (31.1.2) determine, for the purposes of section 300.2, the prescribed amount;
- (31.1.3) determine, for the purposes of section 301.1, the prescribed amount;
- (31.1.4) determine, for the purposes of section 301.3, the prescribed amount;
- (31.1.5) determine, for the purposes of section 323.3, the prescribed amount;



- (31.1.6) determine, for the purposes of section 324.1, the prescribed amount;
- (31.1.7) determine, for the purposes of section 324.3, the prescribed amount;
- (31.2) *(subparagraph repealed)*;
- (32) determine, for the purposes of section 332, which corporations are prescribed corporations;
- (32.1) determine, for the purposes of subparagraph *b* of paragraph 1 of section 332.1, the prescribed matters, conditions and circumstances and, for the purposes of paragraph 2 of that section, the prescribed persons and groups;
- (33) determine, for the purposes of section 346, which activities are prescribed activities;
- (33.1) determine, for the purposes of section 346.1, which mandataries of a government are prescribed mandataries;
- (33.1.1) determine, for the purposes of section 350.0.2, which person is a prescribed person;
- (33.1.2) determine, for the purposes of section 350.12.1, the prescribed property;
- (33.2) determine, for the purposes of sections 350.51 and 350.51.1, the prescribed information that an invoice must contain and the prescribed cases and conditions in respect of which an invoice is not provided to the recipient;
- (33.3) determine, for the purposes of sections 350.52 to 350.52.2, the prescribed devices, the prescribed information and the prescribed cases in respect of which information is not required to be entered without delay;
- (33.4) determine, for the purposes of the second paragraph of section 350.53, the prescribed cases and conditions in respect of which a document may be provided;
- (33.5) determine, for the purposes of section 350.54, the prescribed periods, prescribed times and prescribed cases;
- (33.6) determine, for the purposes of sections 350.55 and 350.56.1, the prescribed manner of notifying the Minister;
- (33.7) determine, for the purposes of subparagraph 7 of the first paragraph of section 350.56.3, the prescribed requirements;
- (33.7.1) determine, for the purposes of sections 350.60.4 and 350.60.5, the prescribed cases and conditions, the prescribed information, the prescribed manner and the prescribed time;
- (33.7.2) determine, for the purposes of section 350.60.6, the prescribed information and the prescribed cases and conditions;
- (33.7.3) determine, for the purposes of section 350.60.7, the prescribed time period, the prescribed information, the prescribed manner and the prescribed time;
- (33.7.4) determine, for the purposes of section 350.60.8, the prescribed cases, the prescribed information, the prescribed manner and the prescribed time;
- (33.7.5) determine, for the purposes of section 350.60.9, the prescribed manner, the prescribed information, the prescribed cases and the prescribed conditions;

(33.7.6) determine, for the purposes of section 350.60.10, the prescribed information, the prescribed manner and the prescribed time;

(33.8) determine, for the purposes of section 350.62, the prescribed services, prescribed cases and conditions, prescribed manner, prescribed time and prescribed information;

(33.9) determine, for the purposes of section 350.63, the prescribed manner, prescribed information and prescribed cases and conditions;

(33.10) determine, for the purposes of the first paragraph of section 350.68, subparagraph 2 of the second paragraph of section 350.72 and subparagraph *a* of paragraph 1 of section 350.76, the prescribed manner;

(33.11) determine, for the purposes of section 350.69, the prescribed information;

(33.12) determine, for the purposes of section 350.70, the prescribed information, the prescribed manner and the prescribed time;

(34) *(subparagraph repealed)*;

(35) determine, for the purposes of section 352, the prescribed conditions and circumstances and which applications for a rebate are prescribed applications;

(35.1) determine, for the purposes of section 353.0.4, which circumstances are prescribed circumstances and which applications for a rebate are prescribed applications;

(36) *(subparagraph repealed)*;

(37) *(subparagraph repealed)*;

(38) *(subparagraph repealed)*;

(38.1) determine, for the purposes of section 378.4, the prescribed residential units;

(38.2) *(subparagraph repealed)*;

(39) determine, for the purposes of section 383, which supplies, persons, circumstances, government bodies and manner are prescribed supplies, prescribed persons, prescribed circumstances, prescribed bodies and the prescribed manner;

(40) determine, for the purposes of section 386, which property or services are prescribed property or services;

(40.0.1) *(subparagraph repealed)*;

(40.0.2) determine, for the purposes of section 386.1.1, which property or services are prescribed property or services;

(40.1) determine, for the purposes of section 388.1, the prescribed municipalities, time and amount;

(40.1.1) determine, for the purposes of section 388.2, the prescribed amount;

(40.1.2) determine, for the purposes of section 388.4, the prescribed municipalities, time and amount;

(41) determine, for the purposes of section 389, which persons are prescribed persons and which rules are prescribed rules;

(41.0.1) determine, for the purposes of section 399.1, the prescribed mandataries;

(41.0.2) determine, for the purposes of section 400, the prescribed circumstances and the prescribed conditions;

(41.1) determine, for the purposes of section 402.12, the prescribed terms and the prescribed conditions;

(41.2) determine, for the purposes of section 402.23, the prescribed manner and the prescribed conditions;

(41.3) determine, for the purposes of paragraph 3 of section 402.24, the prescribed circumstances;

(42) *(subparagraph repealed)*;

(42.1) *(subparagraph repealed)*;

(43) determine, for the purposes of section 423, which suppliers or recipients are prescribed suppliers or recipients;

(43.1) determine, for the purposes of section 423.1, the prescribed suppliers;

(44) determine, for the purposes of section 425, the prescribed manner;

(44.0.1) determine, for the purposes of section 425.1, the prescribed information for the purposes of the first paragraph of that section and a prescribed registrant, the prescribed information, the prescribed manner and the prescribed document for the purposes of the second paragraph of that section;

(44.1) determine, for the purposes of section 433.12, which method is a prescribed method;

(44.2) determine, for the purposes of sections 433.16 and 433.16.2, which amounts are prescribed amounts of tax and which amounts are prescribed amounts;

(44.3) determine, for the purposes of sections 433.16 and 433.17, which persons are prescribed persons and which classes are prescribed classes;

(44.4) determine, for the purposes of section 433.27, which information is prescribed information;

(44.5) determine, for the purposes of section 433.30, which person is a prescribed person and which information is prescribed information;

(45) determine, for the purposes of section 434, which registrants or classes of registrants are prescribed registrants or prescribed classes of registrants, and which methods are prescribed methods;

(45.1) determine, for the purposes of section 435.3, which provisions of the Regulation respecting the Québec sales tax (chapter T-0.1, r. 2), are prescribed provisions;

(46) determine, for the purposes of section 436, which input tax refunds are prescribed input tax refunds;

(46.1) *(subparagraph repealed)*;

(47) determine, for the purposes of section 442, which circumstances are prescribed circumstances, and which conditions and rules are prescribed conditions and rules;

(48) *(subparagraph repealed)*;

(49) determine, for the purposes of section 449, which information is prescribed information in respect of a credit note and which information is prescribed information in respect of a debit note;

(49.0.1) for the purposes of Title I, require any person or any class of persons to provide to a person any information that is required for the application, by a selected listed financial institution, of the formula in the first paragraph of section 433.16 or 458.0.3.1 or in any other provision of this Title, or of a provision of a

regulation made under such a provision of Title I, specify the information so required and the manner in which it is to be provided and prescribe the solidary liability for failing to provide required information in the manner so specified;

(49.1) determine, for the purposes of section 472, the prescribed person;

(50) determine, for the purposes of section 473, the prescribed person;

(50.1) determine, for the purposes of section 473.1, the prescribed person;

(50.1.1) determine, for the purposes of section 473.1.1, a prescribed person;

(50.1.1.1) determine, for the purposes of section 477.2, the prescribed persons, the prescribed supplies, the prescribed platforms and the prescribed interfaces;

(50.1.2) determine, for the purposes of section 477.15, the prescribed foreign currencies;

(50.1.3) determine, for the purposes of section 477.18.1, the prescribed purposes;

(50.1.4) determine, for the purposes of section 477.18.6, the prescribed persons;

(50.1.5) determine, for the purposes of section 477.18.7, the prescribed persons;

(50.1.6) determine, for the purposes of section 477.18.8, the prescribed persons;

(50.2) determine, for the purposes of section 489.1, the prescribed amounts the prescribed percentages, the prescribed terms and conditions, and the prescribed persons;

(51) determine, for the purposes of section 492, the prescribed manner;

(51.1) determine, for the purposes of section 492.1, the prescribed conditions;

(51.2) determine, for the purposes of section 492.2, the prescribed documents;

(52) determine, for the purposes of section 497, the prescribed manner;

(52.1) determine, for the purposes of section 505.1, the prescribed terms and conditions for the purposes of subparagraph 4 of the second paragraph of that section and the prescribed terms and conditions of use and a prescribed manner for the purposes of the third paragraph of that section;

(52.2) determine, for the purposes of section 505.3, a prescribed manner;

(53) determine, for the purposes of section 518, the prescribed premium and prescribed conditions;

(54) determine, for the purposes of section 520, the prescribed premium and prescribed conditions;

(55) determine, for the purposes of section 529, prescribed cases;

(55.1) determine, for the purposes of section 541.24, the prescribed sleeping-accommodation establishments and the prescribed tourist regions;

(55.1.0.1) determine, for the purposes of section 541.26.1, the prescribed foreign currencies;

(55.1.1) *(subparagraph repealed)*;

(55.2) *(subparagraph repealed)*;

(56) determine, for the purposes of section 663, the prescribed amount and the prescribed manner;

(57) *(subparagraph repealed)*;

(58) determine, for the purposes of section 683, the prescribed supplies, the prescribed time and the prescribed manner;

(59) prescribe that a class of persons must file such returns as are necessary for the purposes of this Act and that they must give a copy of the return, or a copy of a prescribed extract to the person who is the subject of the return or extract;

(60) determine, among the regulations made under this Act, those the contravention of which is an offence;

(60.1) *(subparagraph repealed)*;

(60.2) for the purposes of Title I, require any selected listed financial institution to register in accordance with Division I of Chapter VIII or deem any selected listed financial institution to be a registrant for the purposes of Title I; and

(61) prescribe any other measures required for the purposes of this Act.

Regulations made under this Act come into force on the date of their publication in the *Gazette officielle du Québec*, unless they fix another date which may in no case be prior to 1 July 1992.

1991, c. 67, s. 677; 1993, c. 19, s. 255; 1994, c. 22, s. 642; 1995, c. 1, s. 349; 1995, c. 63, s. 509; 1997, c. 14, s. 355; 1997, c. 85, s. 716; 1998, c. 16, s. 313; 2000, c. 39, s. 290; 2001, c. 51, s. 311; 2001, c. 53, s. 385; 2002, c. 9, s. 174; 2002, c. 58, s. 18; 2003, c. 2, s. 350; 2003, c. 9, s. 458; 2004, c. 8, s. 216; 2005, c. 38, s. 395; 2006, c. 31, s. 112; 2006, c. 36, s. 293; 2009, c. 5, s. 673; 2009, c. 15, s. 535; 2010, c. 5, s. 246; 2011, c. 1, s. 158; 2011, c. 6, s. 288; 2011, c. 34, s. 156; 2012, c. 28, s. 180; 2015, c. 8, s. 157; 2015, c. 21, s. 794; 2015, c. 8, s. 157; 2017, c. 1, s. 462; 2018, c. 18, s. 60; 2018, c. 18, s. 79; 2020, c. 16, s. 247; 2018, c. 18, s. 60; 2019, c. 14, s. 567; 2021, c. 14, s. 238; 2021, c. 15, s. 18; 2021, c. 18, s. 231; 2021, c. 36, s. 192; 2022, c. 23, s. 217; 2023, c. 10, s. 9; 2024, c. 11, s. 187; 2024, c. 41, s. 216; 2025, c. 8, s. 13; 2025, c. 27, s. 180.

## TITLE VIII

### FINAL PROVISIONS

**678.** This Act is binding on the Gouvernement du Québec and its departments, agencies and mandataries.

1991, c. 67, s. 678; 2004, c. 21, s. 548; 2012, c. 28, s. 181.

**679.** *(Repealed)*.

1991, c. 67, s. 679; 1993, c. 79, s. 56.

**680.** *(Repealed)*.

1991, c. 67, s. 680; 1993, c. 79, s. 56.

**681.** For the purpose of facilitating the collection and payment of the taxes and duties imposed by this Act or of preventing duplication of the payment of such taxes and duties, the Minister may enter into any written agreement the Minister considers appropriate with any person holding a registration certificate.

1991, c. 67, s. 681; 2000, c. 39, s. 291.

**682.** Provisions of any Title do not apply to provisions of another Title except as specifically otherwise provided.

1991, c. 67, s. 682.

**683.** Any person who, under this Act, is entitled to a rebate of all or part of the tax paid by him to the Minister under this Act in respect of a prescribed supply of property or a service may transfer his right to the rebate to the person having made the supply of the property or service, if the transfer meets the following conditions:

- (1) it is made without reservation and is evidenced in a writing bearing the transferor's signature;
- (2) it concerns the whole of the rebate to which the transferor is entitled and is granted otherwise than as a security;
- (3) it is communicated to the Minister, within the prescribed time and in prescribed manner, by means of a written notice accompanied by the deed of transfer, the application for a rebate and proof that the tax has been paid.

However, the transferee is entitled to the rebate of tax only if the transferor has not filed an application in respect thereof with the Minister.

A transfer made in accordance with the first paragraph does not confer on the transferee more rights than those held by the transferor himself according to law.

1991, c. 67, s. 683.

**684.** The Minister of Revenue is responsible for the administration of this Act.

1991, c. 67, s. 684.



*The Minister of Finance exercises the functions of the Minister of Revenue provided for in this Act. Order in Council 1160-2025 dated 10 September 2025, (2025) 157 G.O. 2 (French), 5413.*

**685.** Title I applies, subject to sections 618 to 656, in respect of

(1) a supply of movable property or a service, other than a passenger transportation service or a freight transportation service, for which all of the consideration becomes due or is paid, or is deemed to have become due or have been paid, after 30 June 1992 and is not, or is deemed not to have been, paid before 1 July 1992 and does not, or is deemed not to have, become due before 1 July 1992;

(2) a supply of movable property or a service, other than a passenger transportation service or a freight transportation service, for which part of the consideration becomes due or is paid, or is deemed to have become due or have been paid, after 30 June 1992; however, no tax is payable under Title I otherwise than by reason of sections 618 to 656 in respect of any part of consideration for the supply that becomes due or is paid before 1 July 1992 and that is not deemed to have become due or have been paid after 30 June 1992;

(3) a supply of a freight transportation service which began after 30 June 1992 for which all or part of the consideration becomes due after 30 June 1992 and is not paid before 1 July 1992;

(4) a supply of a passenger transportation service in respect of which a ticket is issued after 30 June 1992;

(5) a supply deemed to have been made after 30 June 1992;

(6) a supply in respect of which tax is deemed to have been collected;

(7) a supply of an immovable by way of sale ownership and possession of which are transferred after 30 June 1992;

(7.1) any supply of an immovable by way of lease, licence or similar arrangement for which all of the consideration becomes due or is paid, or is deemed to have become due or have been paid, after 30 June 1992 and is not, or is deemed not to have been, paid before 1 July 1992 and does not, or is deemed not to have, become due before 1 July 1992;

(7.2) any supply of an immovable by way of lease, licence or similar arrangement for which part of the consideration becomes due or is paid, or is deemed to have become due or have been paid, after 30 June 1992; however, no tax is payable under Title I otherwise than by reason of sections 618 to 656 in respect of any part of the consideration for the supply that becomes due or is paid before 1 July 1992 and that is not deemed to have become due or have been paid after 30 June 1992;

(8) the bringing into Québec of any corporeal property after 30 June 1992;

(9) a supply in respect of which tax is payable by reason of sections 618 to 656; and

(10) any supply referred to in section 318 that was made before 1 July 1992; however, no tax is payable under Title I in respect of any amount paid or forfeited, or any debt or other obligation reduced or extinguished, before 1 July 1992.

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1991, c. 67, s. 685; 1994, c. 22, s. 643; 1997, c. 85, s. 717.

**686.** Notwithstanding section 685, Chapter IX of Title I applies to transactions made after 30 September 1991 and as though references in that chapter to “this Title” were replaced by references to “this Title and Chapter VI of Title VI”.

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1991, c. 67, s. 686.

**687.** The sums required for the implementation of the reform of consumer taxes and for the administration by the Minister of Revenue of the goods and services tax under the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) shall be taken, for the taxation year 1992-93, out of the Consolidated Revenue Fund, to the extent determined by the Government.

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1991, c. 67, s. 687.

**688.** *(Omitted).*

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1991, c. 67, s. 688.

### REPEAL SCHEDULES

In accordance with section 9 of the Act respecting the consolidation of the statutes and regulations (chapter R-3), chapter 67 of the statutes of 1991, in force on 1 March 1992, is repealed, except subsection 2 of sections 542 to 545, subsection 2 of section 547, subsection 2 of section 551, subsections 2 and 3 of section 554, subsection 2 of section 563, subsection 2 of section 609 and except section 688, effective from the coming into force of chapter T-0.1 of the Revised Statutes.

In accordance with section 9 of the Act respecting the consolidation of the statutes and regulations (chapter R-3), sections 1 to 541, 546, 548 to 550, 552, 553, subsection 1 of section 555, sections 556 to 560, 562, 564 to 570, 572 to 591, 593 to 608, 610 to 614, 616 to 670 and 675 to 686 of chapter 67 of the statutes of 1991, in force on 1 March 1993, are repealed effective from the coming into force of the updating to 1 March 1993 of chapter T-0.1 of the Revised Statutes.