

Prudent 2017 Budget, Followed by an Investment-based Economic Plan

Tax Bulletin

Quebec Budget, March 27, 2018

Quebec's economy is faring better and the Quebec government has decided to open the floodgates. In his fifth budget, the Quebec Finance Minister is focussing on investments in a wide range of economic sectors. However, the current scenario places Quebec in a deficit position for the next two years.

Quebec's 2018-2019 Economic Plan is casting a wide net, encompassing health, education, public transit, road infrastructures and families. Businesses will also reap benefits. Could the election year have influenced the many investment choices?

Support was expected for SMEs and the budget did not disappoint. Tax relief measures totalling \$2.2B will be introduced by 2022-2023 to boost their competitiveness.

Lower payroll taxes

Corporate contribution rates to the Health Services Fund will be reduced, providing SME with \$1.2B in savings.

Income tax reduction

An additional positive measure is the gradual decrease of the income tax rate for SMEs in the services and construction industries to 4% by 2022-2023, with the objective of having these SME eventually benefit from the same rates as SMEs in the primary and manufacturing term. This measure results in a \$1B tax reduction.

Additional innovation support

The budget includes support for businesses to foster innovation and help them carve a place for themselves on the international market.

Support of \$60M by 2019-2020 has been announced to promote the development of supply chains optimized by artificial intelligence. Additionally, relief totalling \$241M has been provided to accelerate business investment in the next five years. These enhancements are the result of increasing the additional capital cost allowance from 35% to 60% and extending it to March 31, 2020 to support the acquisition of cutting-edge technologies. This measure would benefit more than 30,000 businesses investing to improve their productivity.

National labour strategy

Over the next five years, more than \$800M will be invested to better support the labour market. Among others, the budget introduces a new tax credit for SMEs if they set aside time for their employees to develop their professional skills. In the coming weeks, the government will be tabling its 2018-2023 National Workforce Strategy. This national strategy will set aside significant resources to better integrate immigrants in the job market.

Regional economic development

The numerous measures announced include new funds totalling \$724M by 2022-2023 for initiatives to be determined that would support economic development in the regions, be it for the forestry sector, mining development, pursuing the maritime strategy or the Plan Nord.

Voluntary disclosure program

The government is announcing a consultation to review the voluntary disclosure program with the potential objective of tightening it up like the federal government did.

For more information on the tax measures announced in the 2018-2019 budget, please read the following pages.

BUSINESSES		
	CURRENT MEASURES	PROPOSED MEASURES
Income qualifying for the small business deduction (SBD)		
Gradual reduction of the tax rate applicable to income qualifying for the SBD	<ul style="list-style-type: none"> ▪ Rate applicable to income qualifying for the SBD: 8% ▪ Rate applicable to income qualifying for the additional deduction for SME in the primary and manufacturing sectors: 4% 	<ul style="list-style-type: none"> ▪ Reduction of the rate applicable to the SBD: <ul style="list-style-type: none"> – 7% as of March 28, 2018 – 6% in 2019 – 5% in 2020 – 4% in 2021 ▪ Rate applicable to income qualifying for the additional deduction for SME in the primary and manufacturing sectors: 4% (unchanged)
Health Services Fund (HSF)		
Gradual increase in the payroll threshold from which the maximum contribution rate applies	<ul style="list-style-type: none"> ▪ Maximum contribution rate of 4.26% applies when the total payroll is \$5M 	<ul style="list-style-type: none"> ▪ Increase in the payroll threshold from which the maximum contribution rate of 4.26% applies: <ul style="list-style-type: none"> – 2019: \$5.5M – 2020: \$6M – 2021: \$6.5M – 2022: \$7M ▪ As of 2023: automatic annual indexing of the threshold
Gradual reduction of the contribution rate for all SMEs	<ul style="list-style-type: none"> ▪ Reduced rate for SMEs with payroll ≤ \$1M <ul style="list-style-type: none"> – Primary and manufacturing sectors: <ul style="list-style-type: none"> • Minimum rate in 2018: 1.50% • Gradual rate reduction to 1.45% as of 2021 – Services and construction sectors: <ul style="list-style-type: none"> • Minimum rate in 2018: 2.30% • Gradual rate reduction to 2% as of 2021 ▪ Gradual rate reduction for employers with a payroll between \$1M and \$5M 	<ul style="list-style-type: none"> ▪ Reduced rates for SMEs with payroll ≤ \$1M <ul style="list-style-type: none"> – Primary and manufacturing sectors: <ul style="list-style-type: none"> • Minimum rate in 2018: 1.45% • Gradual rate reduction to 1.25% as of 2022 – Services and construction sectors: <ul style="list-style-type: none"> • Minimum rate in 2018: 1.95% • Gradual rate reduction to 1.65% as of 2022 ▪ Additional gradual reduction for employers with a payroll between \$1M and \$5M
Capital cost allowance (CCA)		
Increase in the additional deduction for computer equipment and manufacturing and processing equipment	<ul style="list-style-type: none"> ▪ Additional deduction of 35% of the CCA claimed for the following qualifying property: <ul style="list-style-type: none"> – Manufacturing and processing equipment (class 53) – General-purpose electronic data processing equipment (class 50) ▪ Applicable to new property acquired after March 28, 2017 and before April 1, 2019 	<ul style="list-style-type: none"> ▪ Additional deduction of 35% abolished and replaced with a new additional deduction of 60% ▪ Applicable to new property acquired as of March 28, 2018 and before March 28, 2018 and before April 1, 2020

BUSINESSES		
	CURRENT MEASURES	PROPOSED MEASURES
Refundable tax credit for the production of pyrolysis oil production in Quebec		
Introduction of a new refundable tax credit	<ul style="list-style-type: none"> ▪ None 	<ul style="list-style-type: none"> ▪ Tax credit for the production of pyrolysis oil produced from residual forest biomass <ul style="list-style-type: none"> – Produced and delivered after March 31, 2018 and before April 1, 2023 – For consumption in Quebec ▪ Rate: \$0.08 per litre <ul style="list-style-type: none"> – Monthly ceiling: 273,972 litres multiplied by the number of days in the month ▪ Credits cannot be combined <ul style="list-style-type: none"> – Property acquired after March 28, 2018 for the production of residual biomass-based bio-oil does not qualify for the investment tax credit for manufacturing and processing equipment – A corporation applying for an initial certificate of eligibility for the tax holiday for major investment projects does not qualify for the new credit with respect to activities from its major project
Refundable tax credit for the production of biodiesel fuel in Quebec		
Extension of the credit eligibility period	<ul style="list-style-type: none"> ▪ Eligibility period ending March 31, 2018 	<ul style="list-style-type: none"> ▪ Eligibility period extended to March 31, 2023
Change in credit calculation	<ul style="list-style-type: none"> ▪ Variable credit rate, based on the average monthly price of biodiesel <ul style="list-style-type: none"> – Maximum rate: \$0.185 per litre ▪ Monthly ceiling: 345,205 litres multiplied by the number days in the month 	<ul style="list-style-type: none"> ▪ Fixed rate: \$0.14 per litre ▪ Monthly ceiling: 821,917 litres multiplied by the number of days in the month ▪ Applicable as of April 1, 2018
Refundable tax credit for the production of cellulosic ethanol in Quebec		
Extension of the credit eligibility period	<ul style="list-style-type: none"> ▪ Eligibility period ending March 31, 2018 	<ul style="list-style-type: none"> ▪ Eligibility period extended to March 31, 2023
Change in credit calculation	<ul style="list-style-type: none"> ▪ Variable credit rate, based on the average monthly price of ethanol <ul style="list-style-type: none"> – Maximum rate: \$0.15 per litre ▪ Monthly ceiling: 109,589 litres multiplied by the number days in the month 	<ul style="list-style-type: none"> ▪ Fixed rate: \$0.16 per litre ▪ Monthly ceiling: 821,917 litres multiplied by the number days in the month ▪ Applicable as of April 1, 2018

BUSINESSES		
	CURRENT MEASURES	PROPOSED MEASURES
Refundable tax credit for the production of ethanol in Quebec		
Extension of the credit eligibility period	<ul style="list-style-type: none"> ▪ Eligibility period ending March 31, 2018 	<ul style="list-style-type: none"> ▪ Eligibility period extended to March 31, 2023
Change in credit calculation	<ul style="list-style-type: none"> ▪ Credit rate varies according to the average monthly price of crude oil <ul style="list-style-type: none"> – Maximum rate: \$0.185 per litre ▪ Monthly ceiling: 345,205 litres multiplied by the number of days in the month 	<ul style="list-style-type: none"> ▪ Fixed rate: \$0.03 per litre <ul style="list-style-type: none"> – Monthly ceiling: 821,917 litres multiplied by the number of days in the month ▪ Applicable as of April 1, 2018
Refundable tax credit for the production of multimedia events or environments presented outside Quebec		
Removal of the eligible production limit	<ul style="list-style-type: none"> ▪ Limit of \$350,000 per eligible production to be shared among the co-producers 	<ul style="list-style-type: none"> ▪ No limit ▪ Applicable to applications for advanced ruling or certificates if no application for an advance ruling was submitted to SODEQ after March 27, 2018
Refundable tax credit for Quebec film or television production		
Extension of the credit to online-only production	<ul style="list-style-type: none"> ▪ Online-only productions do not qualify for the credit 	<ul style="list-style-type: none"> ▪ Productions of online videos eligible for the credit if: <ul style="list-style-type: none"> – Broadcaster: undertaking to make the film accessible on its eligible online video service – Other suppliers: undertaking by a holder of a general distributor's licence to exploit the film in Quebec and undertaking by the supplier of the eligible online video service, to make the film accessible in Quebec ▪ Applicable to applications for qualification a certificate submitted to SODEQ after March 27, 2018
Change to the minimum duration criterion for certain documentaries and television variety programs	<ul style="list-style-type: none"> ▪ Minimum of 30 minutes of programming per production or 30 minutes of programming per episode in the case of a series 	<ul style="list-style-type: none"> ▪ Minimum of 20 minutes of audiovisual content per documentary or per episode in the case of a series now eligible ▪ Applicable to applications for qualification a certificate submitted to SODEQ after March 27, 2018
Extension of the excluded amounts of assistance (that does not reduce the credit)	<ul style="list-style-type: none"> ▪ Excluded amounts of financial assistance granted by: <ul style="list-style-type: none"> – The Canadian Radio-television and Telecommunications Commission (CRTC) – The National Film Board (NFB) 	<ul style="list-style-type: none"> ▪ Excluded amounts of assistance extended to include assistance granted <ul style="list-style-type: none"> – After March 27, 2018 by: <ul style="list-style-type: none"> • An organization similar to the CRTC • The NFB, in the form of property or services assistance – After March 12, 2017 by Eurimages

BUSINESSES		
	CURRENT MEASURES	PROPOSED MEASURES
Refundable film production services tax credit		
Change to the minimum duration of certain documentaries	<ul style="list-style-type: none"> ▪ Eligible documentaries: <ul style="list-style-type: none"> – Minimum of 30 minutes per production or 30 minutes per episode in the case of a series 	<ul style="list-style-type: none"> ▪ For virtual reality documentaries, duration can be less than 30 minutes or 30 minutes per episode ▪ Applicable to applications for qualification a certificate submitted to SODEQ after March 27, 2018
Credit for film dubbing		
Removal of the limit of the qualified expenditure	<ul style="list-style-type: none"> ▪ Expenditure limited to 45% of the consideration paid to the corporation for the performance of the dubbing contract 	<ul style="list-style-type: none"> ▪ Removal of the limit to the qualified expenditure for a taxation year that begins after March 27, 2018
Tax holiday for large investment projects		
Broadening of the sectors of activity	<ul style="list-style-type: none"> ▪ Tax holiday and holiday from HSF contributions for a large investment project in the following sectors: <ul style="list-style-type: none"> – Manufacturing – Wholesale trade – Warehousing and storage or data processing – Data hosting and related service 	<ul style="list-style-type: none"> ▪ Addition of the development of eligible digital platforms sector ▪ Applicable to an investment project that begins to be carried out after March 27, 2018
Refundable tax credit for on-the-job training periods		
Broadening of increased and enhanced credits	<ul style="list-style-type: none"> ▪ Base rates: <ul style="list-style-type: none"> – 24% for corporations – 12% for individuals ▪ Increased rates for disabled person or an immigrant: <ul style="list-style-type: none"> – 32% for corporations – 16% for individuals ▪ Eligible trainees enrolled in an education program or a prescribed program, if certain conditions are satisfied: <ul style="list-style-type: none"> – Enhanced base rates: <ul style="list-style-type: none"> • 40% for corporations • 20% for individuals – Enhanced increased rates: <ul style="list-style-type: none"> • 50% for corporations • 25% for individuals 	<ul style="list-style-type: none"> ▪ Enhanced and increased enhanced rates now apply in the following situations: <ul style="list-style-type: none"> – Trainee is an Aboriginal person – The training is in a resource region ▪ Applicable to a training period beginning after March 27, 2018

BUSINESSES

	CURRENT MEASURES	PROPOSED MEASURES
Refundable tax credit to support the digital transformation of print media companies		
Introduction of a new temporary refundable tax credit	<ul style="list-style-type: none"> ▪ None 	<ul style="list-style-type: none"> ▪ New refundable tax credit <ul style="list-style-type: none"> – 35% of eligible digital conversion costs – Annual limit on eligible expenditures: \$20M to be shared amount associated corporations <ul style="list-style-type: none"> • Maximum annual credit of \$7M ▪ Qualified corporation: <ul style="list-style-type: none"> – Production and dissemination on a daily or periodic (at least 10 times per year) basis of: <ul style="list-style-type: none"> • A print or digital publication • With original written content on general interest news • Geared specifically to the Quebec public • Covering a minimum of three information topics among the following: politics, municipal sector, international news, culture, business and economy, local interest news and miscellaneous news items – Qualification certificates from Investissement Quebec required ▪ Eligible digital conversion costs: <ul style="list-style-type: none"> – Wages of a full time eligible employee – 80% of the amount paid under a contract for: <ul style="list-style-type: none"> • acquisition or lease of new qualified computer equipment • eligible digital conversion services • the right of use or eligible licence ▪ Applicable to eligible expenditures incurred after March 27, 2018 and before <ul style="list-style-type: none"> – January 1, 2022 for the acquisition of property – January 1, 2023 for other expenditures

BUSINESSES		
	CURRENT MEASURES	PROPOSED MEASURES
Refundable tax credit to encourage qualifying training for workers employed in SMEs		
Introduction of a new refundable tax credit for training workers employed in SMEs	<ul style="list-style-type: none"> ▪ None 	<ul style="list-style-type: none"> ▪ New tax credit equal to the lesser of: <ul style="list-style-type: none"> – 30% of the wages paid to an eligible employee taking eligible training, to a maximum of: <ul style="list-style-type: none"> • \$35 per hour • 520 hours of training – \$5,460 ▪ 30% rate reduced linearly when the payroll of the corporation (and associated corporations) exceeds \$5M <ul style="list-style-type: none"> – Rate is nil when payroll reaches \$7M ▪ Applicable to expenditures incurred after March 27, 2018 and before January 1, 2023

INDIVIDUALS		
	CURRENT MEASURES	PROPOSED MEASURES
Capital régional et coopératif Desjardins		
Creation of a new class of shares	<ul style="list-style-type: none"> ▪ Possibility of issuing shares that become retractable seven years after their issuance 	<ul style="list-style-type: none"> ▪ Creation of a new class of shares with essentially the same rights as the existing class ▪ Subscription limited to shareholders who: <ul style="list-style-type: none"> – Own the current class of shares for at least seven years – Have never requested the redemption of these shares ▪ Issuance solely in exchange for shares of the current class owned for at least seven years
<i>Temporary tax credit for the conversion of current shares into shares of the new class</i>	<ul style="list-style-type: none"> ▪ None 	<ul style="list-style-type: none"> ▪ Non-refundable tax credit for conversions carried out during subscription periods beginning March 1, 2018, 2019 and 2020 ▪ Credit rate: 10% ▪ Maximum credit amount: \$1,500
Credit rate reduction on the acquisition of shares in the current class	<ul style="list-style-type: none"> ▪ Non-refundable tax credit of 40% ▪ Maximum credit amount: \$2,000 	<ul style="list-style-type: none"> ▪ Credit rate reduced to 35% for shares acquired after February 28, 2018 ▪ Maximum credit amount: \$1,750
First-time home buyers		
Introduction of a new non-refundable tax credit	<ul style="list-style-type: none"> ▪ None 	<ul style="list-style-type: none"> ▪ Tax credit of 15% on a fixed amount of \$5,000 ▪ Qualifying home: housing unit located in Quebec and acquired either by: <ul style="list-style-type: none"> – The individual or the individual's spouse to be used as a principal place of residence provided they did not own a housing unit in the four previous calendar years – The individual to be used as a principal residence by a related disabled person ▪ The unused portion of the credit cannot be transferred to the spouse
RénoVert Tax Credit		
Extension of eligibility period	<ul style="list-style-type: none"> ▪ Tax credit equal to the lower of: <ul style="list-style-type: none"> – \$10,000 – 20% of eligible expenditures exceeding \$2,500 ▪ For agreement entered into before April 1, 2018 	<ul style="list-style-type: none"> ▪ Extension to agreements entered into before April 1, 2019

INDIVIDUALS		
	CURRENT MEASURES	PROPOSED MEASURES
Refundable “tax shield” tax credit		
Increase in the maximum increase of eligible work income	<ul style="list-style-type: none"> ▪ Maximum increase of work income relative to the previous year: <ul style="list-style-type: none"> – \$3,000 for each member of the household 	<ul style="list-style-type: none"> ▪ Maximum increase in eligible work income relative to the previous year: <ul style="list-style-type: none"> – \$4,000 for each member of the household
Tax credit for experienced workers		
Change to eligibility age and eligible amounts	<ul style="list-style-type: none"> ▪ Tax credit of 15% of eligible work income ▪ Maximum eligible work income based on individual’s age in 2018: <ul style="list-style-type: none"> – 62 years: \$4,000 – 63 years: \$6,000 – 64 years: \$8,000 – 65 years or over: \$10,000 	<ul style="list-style-type: none"> ▪ Maximum eligible work income based on individual’s age in 2018: <ul style="list-style-type: none"> – 61 years: \$3,000 – 62 years: \$5,000 – 63 years: \$7,000 – 64 years: \$9,000 – 65 years or over: \$11,000
Refundable tax credit for informal caregivers of persons of full age		
Introduction of a new component to the credit	<ul style="list-style-type: none"> ▪ Component 1: individual housing an eligible relative who is either a handicapped person or at least 70 years of age <ul style="list-style-type: none"> – Base amount: \$652 – Reducible supplement: \$533 ▪ Component 2: individual co-residing with an eligible relative who is a handicapped person <ul style="list-style-type: none"> – Base amount: \$652 – Reducible supplement: \$533 ▪ Component 3: individual living with his or her spouse who is at least 70 years of age and is a handicapped person <ul style="list-style-type: none"> – Maximum amount: \$1,015 	<ul style="list-style-type: none"> ▪ New component 4: individual who regularly and consistently helps an eligible handicapped relative ▪ The eligible relative must not live in a residence for senior or a public network facility ▪ Minimum period of support of 365 consecutive days commencing in the year, including 183 days in the year ▪ Maximum credit of \$533 for each eligible relative <ul style="list-style-type: none"> – Reduced based on the eligible relative’s income
Refundable tax credit for volunteer respite provided to informal caregivers		
Enhancement of maximum amount granted and easing of criteria	<ul style="list-style-type: none"> ▪ Annual envelope of \$1,000 for each care recipient ▪ Allocation of a maximum of \$500 to an individual who provides at least 400 hours of volunteer respite services 	<ul style="list-style-type: none"> ▪ Increase of annual envelope to \$1,500 ▪ Maximum amounts that can be attributed based on the number of hours of volunteer respite services: <ul style="list-style-type: none"> – \$250 for at least 200 hours – \$500 for at least 300 hours – \$750 for at least 400 hours

INDIVIDUALS

	CURRENT MEASURES	PROPOSED MEASURES
Credit for the acquisition or rental of property intended to help seniors live independently longer		
Reduction of the eligibility threshold and addition of qualified property	<ul style="list-style-type: none"> ▪ Refundable tax credit of 20% of eligible expenses in excess of \$500 	<ul style="list-style-type: none"> ▪ Refundable tax credit of 20% of eligible expenses in excess of \$250 ▪ New qualified property: alert systems for persons with hearing impairments, hearing aids, walkers, rollators, canes, crutches, non-motorized wheelchairs
Tax credit for persons living alone		
Broadening of credit to encourage intergenerational cohabitation	<ul style="list-style-type: none"> ▪ Applicable to an individual living in a domestic establishment either alone or with: <ul style="list-style-type: none"> – A person under 18 years of age – An eligible student of whom the individual is the father or mother 	<ul style="list-style-type: none"> ▪ Now applies to an individual living with an eligible student of whom the individual is the grandfather, grandmother, great-grandfather or great-grandmother
Tax on split income		
Harmonization with proposed federal measures	<ul style="list-style-type: none"> ▪ Taxation at the higher rate of split income earned by a specified individual under the age of 18 years 	<ul style="list-style-type: none"> ▪ Harmonization of Quebec legislation to integrate legislative proposals published on December 13, 2017 by the Minister of Finance of Canada, in particular: <ul style="list-style-type: none"> – Extension to specified individuals over the age of 18 years – Broadening of income covered
Tax credit for childcare expenses		
Increase of annual ceilings for expenses paid	<ul style="list-style-type: none"> ▪ Annual ceiling: <ul style="list-style-type: none"> – Handicapped child: \$11,000 – Child under the age of 7 years: \$9,000 – Others: \$5,000 	<ul style="list-style-type: none"> ▪ Annual ceiling increased to: <ul style="list-style-type: none"> – Handicapped child: \$13,000 – Child under the age of 7 years: \$9,500 – Others: \$5,000 ▪ Maximum daily rates: <ul style="list-style-type: none"> – Handicapped child: \$50 – Child under the age of 7 years: \$36.50 ▪ Automatic annual indexing of annual ceilings as of 2019
Tax credit for a first major cultural gift		
Extension of the credit	<ul style="list-style-type: none"> ▪ Applicable to gifts made after July 3, 2013 and before January 1, 2018 	<ul style="list-style-type: none"> ▪ Extension of the tax credit for a gift made before January 1, 2023

INDIVIDUALS		
	CURRENT MEASURES	PROPOSED MEASURES
Implementation of the Aim for Employment Program		
Correlative amendments	<ul style="list-style-type: none"> ▪ None 	<ul style="list-style-type: none"> ▪ Correlative amendments to the following tax measures as a result of the Aim for Employment Program on April 1, 2018: <ul style="list-style-type: none"> – Tax credit for child assistance – Tax credit for informal caregivers of persons of full age – Solidarity tax credit – Premium payable under the Basic Prescription Drug Insurance Plan
Dividend tax credit		
Reduction of the credit rates	<ul style="list-style-type: none"> ▪ Credit rate for eligible dividends: 11.9% of the grossed-up amount of the dividend ▪ Credit rate for non-eligible (ordinary) dividends: 7.05% of the grossed-up amount of the dividend 	<ul style="list-style-type: none"> ▪ Credit rate for eligible dividends (on the grossed-up amount): <ul style="list-style-type: none"> – March 28, 2018 to December 31, 2018: 11.86% – 2019: 11.78% – 2020 and following: 11.7% ▪ Credit rate for non-eligible dividends (on the grossed-up amount): <ul style="list-style-type: none"> – March 28, 2018 to December 31, 2018: 6.28% – 2019: 5.55% – 2020: 4.77% – 2021 and following: 4.01%

COMMODITY TAXES		
	CURRENT MEASURES	PROPOSED MEASURES
Quebec sales tax and e-commerce		
Implementation of a new mandatory registration system	<ul style="list-style-type: none"> ▪ No specific rule applicable to suppliers who do not have a physical or significant presence in Quebec and to digital property and service distribution platforms 	<ul style="list-style-type: none"> ▪ New specified registration system applicable to non-resident suppliers without a physical or significant presence in Quebec and to digital platforms <ul style="list-style-type: none"> – When the value of the consideration for all taxable supplies made to specified Quebec consumers is greater than \$30,000 ▪ Taxable supplies of: <ul style="list-style-type: none"> – Incorporeal movable property or services supplied in Quebec – Taxable corporeal movable property supplied in Quebec by a supplier located in Canada
<i>Miscellaneous provisions</i>	<ul style="list-style-type: none"> ▪ None 	<ul style="list-style-type: none"> ▪ A registrant under the new specified registration system will not be a registrant for QST purposes <ul style="list-style-type: none"> – A person who is registered under the general registration system cannot obtain a rebate of the tax paid to a supplier in the specified registration system ▪ Election available to a supplier required to register under the specified registration system to register under the general registration system ▪ Applicable as of: <ul style="list-style-type: none"> – January 1, 2019 for non-resident suppliers located outside Canada – September 1, 2019 for non-resident suppliers located in Canada

OTHER MEASURES		
	CURRENT MEASURES	PROPOSED MEASURES
Compensation tax for financial institutions		
Reduction of the compensation tax rate for financial institutions	<ul style="list-style-type: none"> ▪ Tax calculated on wages paid and insurance premiums ▪ Different rates apply to wages paid and insurance premiums 	<ul style="list-style-type: none"> ▪ Reduction of rates applicable to wages paid as of April 1, 2018 until March 31, 2022 ▪ Planned reduction of rates from April 1, 2022 to March 31, 2024 remains unchanged ▪ No change to rates applicable to insurance premiums
Environmental studies allowance in the <i>Mining Tax Act</i>		
Introduction of an environmental studies allowance in the <i>Mining Tax Act</i>	<ul style="list-style-type: none"> ▪ None 	<ul style="list-style-type: none"> ▪ Deduction in the calculation of an operator's annual profit for payment of mining duties <ul style="list-style-type: none"> – Maximum deduction: balance of cumulative account for environmental studies costs – Correlative amendments to the refundable duties credit for losses
Refundable tax credit for holders of a taxi driver's permit		
Temporary increase in the credit	<ul style="list-style-type: none"> ▪ Maximum refundable tax credit of: <ul style="list-style-type: none"> – \$569 in 2017 – \$574 in 2018 	<ul style="list-style-type: none"> ▪ Increase in the maximum credit amount: <ul style="list-style-type: none"> – \$1,069 in 2017 – \$1,074 in 2018 ▪ New notice of assessment for 2017, sent no later than May 31, 2018 to taxpayers in respect of which Revenu Québec has already determined the amount of the credit
Credit of the acquisition of Fondation shares		
Temporary maintenance of the increased credit	<ul style="list-style-type: none"> ▪ Tax credit rate of 20% to acquire shares in Fondation <ul style="list-style-type: none"> – Measure ending May 31, 2018 	<ul style="list-style-type: none"> ▪ Measure extended until May 31, 2021

Unless otherwise indicated, these measures apply to fiscal years ending after March 27, 2018 for businesses and as of the 2018 calendar year for individuals.

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