

2026 Quebec budget: a non-electioneering budget in a still uncertain context

Tax bulletin

March 18, 2026

The eighth and final budget of Quebec Finance Minister Éric Girard, before the fall election, is being prepared in a context of uncertainty. Will this budget withstand the priorities of the next leader, even if there is money set aside for that purpose, or of a future government? Will issues related to continental trade, particularly those arising from the findings of the CUSMA review, require a rapid adjustment of public finances to more vigorously support the most heavily affected sectors of activity? Several questions arise.

Despite such imponderables, this budget is intended to be "sober, focused and responsible," according to the Minister of Finance. The budget therefore does not offer tax gifts to taxpayers.

Public finances remain in the red for at least five years

Last fall's economic update projected a deficit of \$12.3 billion for this fiscal year, which was below the record \$13.6 billion announced in the previous budget for this fiscal year. Today, despite an economy that is slowing down, the government is maintaining the forecast of a return to a balanced budget in 2029-2030 and anticipates a deficit of less than \$10 billion by the end of the current fiscal year, that is \$9.9 billion, after payment to the Generations Fund.

For the **2026-2027 fiscal year, the deficit** would be **\$8.6 billion**, which is lower than the \$9.5 billion projected in the 2025 Budget.

Support measures for our businesses

To stimulate the growth of economic engines, some measures are announced now and others, possibly important, could be introduced after the election of the new prime minister on April 12. To this end, the budget maintains, among other things, a **contingency provision of \$8 billion over five years**, including \$2 billion for the 2026-2027 fiscal year. These sums could also be used by the next head of government to counter economic and trade repercussions, or to meet other priority commitments.

As for budget measures aimed at enabling organizations to grow and innovate, more than **\$1.7 billion over five years** has been allocated to accelerate Québec's economic transformation, namely:

- Nearly **\$700 million** to support the **adaptation of businesses to the new economic context** by ensuring a competitive business environment that is favourable to the realization of investment projects in future-oriented sectors, as well as an attractive and efficient ecosystem that promotes investment in research and innovation;
- More than **\$580 million** to help SMEs in all regions by contributing to their economic growth, accelerating the development of the **tourism sector**, supporting the development of **the bio-food sector** and supporting **forestry businesses and communities**;
- Nearly **\$430 million** to support the growth of our **cultural sector** by responding to the challenges of the audiovisual sector, ensuring the sustainability of Québec's media ecosystem and promoting Québec cultural content.

In addition, the government is giving itself an additional intervention capacity of up to **\$2 billion**, through its investment funds, to **maintain head offices in Quebec and develop the critical and strategic minerals sector**.

... and an injection of new money into infrastructure

With the dual objective of supporting the economy and equipping Québec with modern public **infrastructure** in good condition, the government **first** plans to **accelerate the Québec Infrastructure Program (QIP) with more than \$5 billion over six years**. This would be implemented as follows:

- From 2025-2026 to 2030-2031, investments will amount to \$108 billion, representing \$5.2 billion more than the amount planned in the March 2025 budget;
- The additional investments of \$5.2 billion correspond to an acceleration of \$3.4 billion from 2026-2027 to 2030-2031 and advance payments of \$1.8 billion in 2025-2026.

Secondly, a **\$3 billion increase** in the QIP funding level is announced from 2026-2027 to 2035-2036, bringing the total to \$167 billion.

Finally, it should be noted that the budget also aims to support the State's major missions of **health** and **education**. In this regard, nearly **\$4.3 billion over five years** would be granted, including:

- Nearly **\$2.2 billion** to facilitate access to **health care and social services**, in particular by supporting access to medications, continuing efforts to reduce the surgical waiting list, strengthening access to primary care and supporting actions for caregivers;
- Nearly **\$640 million** to promote the **educational success of students**, meet urgent and temporary needs for school spaces and strengthen the attractiveness of the workforce within the education network;
- Nearly **\$400 million** to support **higher education training**, labour market integration and research, in particular to continue to promote and enhance the value of engineering and information technology disciplines, extend employment assistance allowances and support research organizations.

For more information on the tax measures announced in this budget, visit the following pages.

BUSINESSES

	CURRENT MEASURES	PROPOSED MEASURES
Capital cost allowance (CCA)		
Harmonization with the federal immediate expensing for greenhouses	<ul style="list-style-type: none"> ▪ Accelerated CCA of 150% of the CCA normally calculated in the first year (without half rate) for property acquired on or after January 1, 2025, that becomes available for use before 2030 ▪ Half-rate not applicable for property available for use from 2030 to 2033 	<ul style="list-style-type: none"> ▪ 100% CCA in the first year without a half-rate in respect of greenhouses ▪ Applicable to assets acquired on or after November 4, 2025, and available for use before 2030 <ul style="list-style-type: none"> – Half-rate not applicable for property available for use from 2030 to 2033
Tax credit for the development of e-business integrating artificial intelligence functionalities (TCEB^{AI})		
Relaxation of certain activity-related criteria for employee certification	<ul style="list-style-type: none"> ▪ An activity must be primarily related to e-business that significantly incorporates AI functionalities 	<ul style="list-style-type: none"> ▪ Addition of the following eligible activities: <ul style="list-style-type: none"> – Specialized AI consulting service – Certain preparatory work carried out in the 12 months prior to the start of a mandate or project that significantly integrates AI ▪ Applicable to taxation years beginning after December 31, 2025 <ul style="list-style-type: none"> – Possibility of making an election to apply these changes to taxation years beginning between March 26 and December 31, 2025
Relaxation of the conditions relating to the carry-forward of the non-refundable tax credit balance	<ul style="list-style-type: none"> ▪ Possible carry-over to 3 previous and 20 subsequent taxation years ▪ A corporation must be eligible for the TCEB or the TCEB^{AI} in the year in which it carries forward a non-refundable tax credit 	<ul style="list-style-type: none"> ▪ The balance of the non-refundable tax credit from a taxation year that began before January 1, 2026, may be deducted in the future, even if the corporation is not eligible for the TCEB^{AI} for that year
Broadening the calculation of gross revenue in the intercompany outsourcing context	<ul style="list-style-type: none"> ▪ Credit rate reduced by half when at least 50% of the gross revenue from the activities described below is attributable to applications developed for use outside Québec by an ultimate beneficiary that does not deal at arm's length with the corporation ▪ NAICS codes for restricted activities: <ul style="list-style-type: none"> – 51321 Software Publishers – 51821 Computing Infrastructure Providers, Data Processing, Web Hosting And Related Services – 54151 Computer Systems Design and Related Services – 561320 Temporary Help Services (in some cases) – 561330 Professional Employer Organizations (in certain cases) 	<ul style="list-style-type: none"> ▪ All income from services rendered by a corporation to an ultimate beneficiary located outside Québec, including support or maintenance revenues, must be taken into account for the purposes of calculating "gross revenue" ▪ Applicable to taxation years beginning after December 31, 2025

BUSINESSES

	CURRENT MEASURES	PROPOSED MEASURES
Refundable tax credit to support the print media		
Credit renamed	<ul style="list-style-type: none"> ▪ Refundable tax credit to support the print media 	<ul style="list-style-type: none"> ▪ Refundable tax credit to support Québec news media
Expanded credit eligibility criteria	<ul style="list-style-type: none"> ▪ Refundable tax credit granted to a corporation holding an Investissement Québec certificate in respect of an eligible print media <ul style="list-style-type: none"> – Excluding a corporation licensed to carry on a broadcasting undertaking ▪ Eligible print media if the following conditions are met: <ul style="list-style-type: none"> – Print publication, news website or information-only mobile application – Produces and broadcasts, on a daily or periodic basis, original news content aimed at the Québec public and covering current events of general interest on at least three of the following seven eligible themes: <ul style="list-style-type: none"> • Business and economy • Culture • The international sector • The municipal affairs • Miscellaneous news • Local interest news • Politics 	<ul style="list-style-type: none"> ▪ Extension of eligibility for the credit to certain non-print media and certain eligible press agencies <ul style="list-style-type: none"> – Removal of the exclusion of a corporation licensed to carry on a broadcasting undertaking ▪ Media, other than print media, is eligible if it meets the following conditions: <ul style="list-style-type: none"> – Corporation licensed to carry on a broadcasting undertaking that produces and broadcasts daily or periodic newscasts or news segments – On original information content aimed at the Quebec public and covering news of general interest on at least three of the seven eligible themes ▪ Press agency is eligible if its activities consist of producing content that meets the following conditions: <ul style="list-style-type: none"> – Original information content made available under license and intended for the Quebec public – Covering news of general interest on at least three of the seven eligible themes
Changes to the eligibility criteria for the application of the employee certificate	<ul style="list-style-type: none"> ▪ Employee eligible if meets the following conditions: <ul style="list-style-type: none"> – Works full-time – At least 75% of its duties consist of eligible activities related to content intended for publication in a print media 	<ul style="list-style-type: none"> ▪ Expansion of eligible activities to include the activities of an eligible media (print and non-print) and an eligible press agency ▪ Addition of eligible activities to include, but are not limited to, researching, collecting information, image capture (photography or video), sound recording, writing, editing, designing, video or sound editing, postproduction, presentation of a news bulletin or a news segment, and any other activity related to the preparation or presentation of the content
<i>Withdrawal of the carrying out of information technology activities</i>	<ul style="list-style-type: none"> ▪ Eligible activities include the carrying out of information technology activities related to the production or dissemination of content 	<ul style="list-style-type: none"> ▪ Removal of these activities as eligible activities
Increase in an employee's eligible annual salary limit	<ul style="list-style-type: none"> ▪ Refundable tax credit equal to 35% of an eligible employee's eligible salary <ul style="list-style-type: none"> – Annual cap of \$75,000 per employee – Maximum annual credit of \$26,250 per employee 	<ul style="list-style-type: none"> ▪ Annual limit increased to \$85,000 per employee <ul style="list-style-type: none"> – Maximum annual credit of \$29,750 per employee

BUSINESSES

	CURRENT MEASURES	PROPOSED MEASURES
<i>Date of application</i>		<ul style="list-style-type: none"> ▪ Applicable to taxation years ending after March 18, 2026 <ul style="list-style-type: none"> – Possibility of making an election to avoid the application of the measures for a taxation year that began before March 18, 2026
Refundable tax credit for the digital transformation of the print media		
Credit Extension and Gradual Phase-Out	<ul style="list-style-type: none"> ▪ 35% refundable tax credit granted to a corporation holding an Investissement Québec certificate <ul style="list-style-type: none"> – Maximum annual credit of \$7 million ▪ Applicable to eligible expenditures incurred before: <ul style="list-style-type: none"> – January 1, 2025, for the acquisition of a property – January 1, 2026, for other expenses 	<ul style="list-style-type: none"> ▪ Credit extended for eligible expenditures incurred before: <ul style="list-style-type: none"> – January 1, 2028, for the acquisition of a property – January 1, 2029, for other expenses ▪ Reduced tax credit rate for eligible expenditures incurred in the following periods: <ul style="list-style-type: none"> – January 1 to December 31, 2027: 20% – January 1 to December 31, 2028: 10%
Refundable tax credit for Québec film or television productions		
Addition of an excluded assistance amount	<ul style="list-style-type: none"> ▪ Eligible expenditures must be reduced by any government or non-government assistance, except for excluded assistance 	<ul style="list-style-type: none"> ▪ Addition of amounts received from the Indigenous Screen Office as excluded assistance
Changes to eligible classes of film	<ul style="list-style-type: none"> ▪ Length or number of episode requirements for documentaries and magazine-style programs 	<ul style="list-style-type: none"> ▪ Removal of requirements to qualify for eligible classes of film ▪ Consequential adjustments to the following tax credits: <ul style="list-style-type: none"> – Film dubbing tax credit – Film production services tax credit
<i>Date of application</i>		<ul style="list-style-type: none"> ▪ Applicable to film or television productions for which an application for an advance ruling or a certificate application is submitted to SODEC after March 18, 2026
Voluntary Retirement Savings Plan (VRSP)		
Introduction of a minimum contribution rate	<ul style="list-style-type: none"> ▪ No minimum contribution rate 	<ul style="list-style-type: none"> ▪ Addition of a minimum contribution rate of 2% of salary
Addition of new investment options	<ul style="list-style-type: none"> ▪ Various existing investment options ▪ No minimum employer contribution 	<ul style="list-style-type: none"> ▪ Addition of new investment options, which, if chosen by the employer, will require an employer contribution of at least 2% of the employee's salary
Increase in the cap on management fees	<ul style="list-style-type: none"> ▪ 1.25% by default, maximum 1.5% (including QST) 	<ul style="list-style-type: none"> ▪ Cap increased as follows: <ul style="list-style-type: none"> – 1.5% (before QST) for existing investment options – 1.75% (before QST) for new investment options
<i>Date of application</i>		<ul style="list-style-type: none"> ▪ Dates and terms to be published by Retraite Québec

BUSINESSES

	CURRENT MEASURES	PROPOSED MEASURES
Adjustments to the terms of the mandatory and preventive disclosure mechanism		
Removal of the method of transmission requirement	<ul style="list-style-type: none"> Disclosure to be sent in a separate envelope, by registered mail 	<ul style="list-style-type: none"> Removal of the requirement to eventually allow electronic filing
Withdrawal of acknowledgement of receipt by Revenu Québec	<ul style="list-style-type: none"> Revenu Québec must confirm receipt of the disclosure 	<ul style="list-style-type: none"> Removal of this requirement for Revenu Québec
Removal of the presumption of validity after a period of 120 days	<ul style="list-style-type: none"> Disclosure deemed to be in compliance, unless Revenu Québec contacts the filer within 120 days of transmission to request additional information in respect of a disclosure 	<ul style="list-style-type: none"> Removal of the presumption of compliance after the 120-day period, to allow Revenu Québec to request additional information when required
<i>Date of application</i>		<ul style="list-style-type: none"> Amendments applicable in respect of a transaction or series of transactions that begin after March 18, 2026

INDIVIDUALS

	CURRENT MEASURES	PROPOSED MEASURES
Low-income personal income tax return		
Automating tax filing	<ul style="list-style-type: none"> ▪ Invitation-only pilot project <ul style="list-style-type: none"> – Allows Revenu Québec to pre-fill an income tax return and a quick transmission by selected individuals, in order to facilitate the obtaining of tax assistance 	<ul style="list-style-type: none"> ▪ Introduction of an automated filing process on behalf of certain individuals (other than trusts), if the individual meets the following conditions: <ul style="list-style-type: none"> – Resides in Quebec at the end of the tax year – Failed to file a tax return on time ▪ Additional selection criteria for individuals with a simple and stable tax situation to be specified by spring 2027 ▪ Ability to opt out of the process until a notice of assessment has been issued ▪ Applicable as of the 2026 tax year <ul style="list-style-type: none"> – Similar process in place at the federal level since 2025