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Greater Possibility for Cooperatives to Pay Rebates as Preferred Units and Other Fiscal Measures

Québec, October 29, 2009 – The Minister of Finance, Raymond Bachand, today announced measures to ease the conditions eligible cooperatives must satisfy to be authorized to pay rebates as preferred units that give rise to the deferred tax rebate mechanism.

“By allowing more taxpayers to reinvest in their cooperative, the changes made will help to further facilitate the capitalization of Québec cooperatives,” the Minister pointed out.

Mr. Bachand also announced that the tax legislation would be amended to allow the Minister of Revenue to refund, under certain circumstances, instalment over-payments made by a taxpayer, and to authorize the Régie des rentes du Québec to suspend payment of the refundable tax credit for child assistance during an investigation.

Moreover, to ensure the integrity of the tax system, changes will be made to the investment tax credit for manufacturing and processing equipment. These changes essentially consist of adding a cumulative limit of \$75 million regarding eligible investments that may qualify for an increased rate, refundability or both of these benefits.

Information Bulletin 2009-6, released today, describes the application details of these measures. It also describes the changes that will be made to the criteria for the redemption of shares issued by Fondation as well as the amount of deductions that will be allowed in the calculation of the premium for the Québec’s prescription drug insurance plan for 2009. It is available at: www.finances.gouv.qc.ca

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