

FOR IMMEDIATE RELEASE**The government is adjusting certain tax measures applicable
to individuals and businesses**

Québec City, November 6, 2020 – The Ministère des Finances is publishing today an information bulletin that announces changes to the Québec taxation system mainly related to the impact of the current crisis and the implementation of federal government measures. The changes concern Canada Recovery Benefits, assistance that affects tax incentives, the flow-through share regime, Health and Welfare Trusts, the accelerated investment incentive, tax credits for holders of a taxi driver's or owner's permit and zero-emission automotive vehicles and equipment.

Canada Recovery Benefits

Québec tax legislation will be amended to allow the deduction of repayments by taxpayers regarding overpayments of Canada Recovery Benefits.

Assistance that affects tax incentives

The tax legislation will be amended with respect to the excluded amounts of assistance for the application of certain tax credits in the cultural sector and to the definition of the expression “non-government assistance” for the purposes of tax incentives.

Flow-through share regime

Québec tax legislation will be amended to incorporate therein the amendments to federal tax legislation proposed in July 2020 to grant an additional 12-month time limit to corporations that issue flow-through shares to spend the capital obtained by means of the issuance of such shares.

Health and Welfare Trusts

The Québec taxation system will be amended to harmonize it with the federal taxation system from the standpoint of the treatment applicable to Health and Welfare Trusts and Employee Life and Health Trusts. The amendments are mainly intended to ensure the conversion of existing Health and Welfare Trusts into Employee Life and Health Trusts.

Tax credits for holders of a taxi driver's or owner's permit

The changes seek to recognize the new legal framework governing remunerated passenger transportation by automobile, to gradually eliminate by 2022 the tax credit for holders of a taxi driver's permit and to allow a taxpayer who, as of October 9, 2020, held a taxi owner's permit, to benefit from the tax credit for holders of a taxi owner's permit for the taxation year starting after December 31, 2019.

Accelerated investment incentive and depreciation of zero-emission automotive vehicles and equipment

Québec tax legislation and regulations will also be amended to incorporate therein the proposed amendments to federal tax legislation and regulation related to the accelerated investment incentive and to grant a temporary enhanced capital cost allowance rate in respect of zero-emission automotive vehicles and equipment for the year in which they become available for use. The zero-emission automotive vehicles and equipment targeted are those that do not already benefit from the temporary 100% enhanced capital cost allowance rate.

Quote:

"Governments are acting in response to the COVID-19 pandemic to support businesses and Québec tax legislation must be adjusted accordingly to reflect the changes."

Eric Girard, Minister of Finance of Québec

Related link:

The terms and conditions of the measures can be consulted in the *Information Bulletin 2020-12* published by the Ministère des Finances at

http://www.finances.gouv.qc.ca/documents/Bulletins/en/BULEN_2020-12-a-b.pdf.

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