M I N I S T È R E D U R E V E N U D U Q U É B E C

Tax News

Second quarter 2002

In Brief

Keeping in touch: Your change of address

Are you aware that the Ministère du Revenu corresponds on a regular basis with over 500,000 agents? Agents are persons who remit GST and QST or source deductions to the Ministère. Such a volume of correpondence requires strict management, as you can well imagine. You must inform us **promptly** of a change of address, as failure to do so could have serious consequences.

The note "**Ne pas faire suivre**" ("Do not forward") is now printed on the envelope of all correspondence regarding GST, QST and source deductions (this has been the case since September 1, 2001). This means that when agents have their mail redirected or fail to inform us of their new address, their correspondence is systematically returned to the Ministère. The Ministère decided to implement this no-forwarding policy in order to eliminate fraudulent activities related to the registration of certain new agents.

Informing us of your change of address requires just a few minutes of your time. Simply call or visit the office of the Ministère in your area.

Copyright income

Under the Taxation Act, artists can claim a deduction respecting copyright income when calculating their income. However, amounts received from the Public Lending Right Commission for books in Canadian libraries are not considered copyright income for the purposes of this deduction. For further information concerning copyright income, refer to page 3 of the issue of *Tax News* for the third quarter of 2001.

Directory of Programs and Services of the Gouvernement du Québec

Did you know that you can consult the Web site of the Gouvernement du Québec (**www.gouv.qc.ca**) to learn about the programs and services available from government departments and agencies? Simply click on "Directory of Programs and Services" in the English section of the Site to access (in French only) information sheets describing assistance programs, allowances, pensions, licences and permits, competitions, scholarships, and a host of other subjects.

You can also access (in French only) the information sheets describing programs and services administered by the Ministère du Revenu by going directly to our Web site (**www.revenu.gouv.qc.ca**) and clicking on "Banque de données des programmes et services du gouvernement du Québec." There are currently 88 information sheets concerning such subjects as personal income tax credits and various deductions and refunds. You can refer to these information sheets to find answers to your questions concerning taxation, to obtain forms or to learn about various tax-related administrative procedures.

Visit government Web sites. It's well worth the click!

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Revenu Québec

Supplement to the Budget Speech of November 1, 2001

On March 19, 2002, the Deputy Premier and Minister of State for the Economy and Finance, Pauline Marois, presented a supplement to the 2002-2003 Budget Speech. The following measures were announced:

Measure concerning consumption taxes

- Harmonization with federal measures relating to beverage container deposits

Measures concerning businesses

- Designation of new sites dedicated to biotechnology
- Broadening of the refundable tax credit for the Cité de la biotechnologie et de la santé humaine du Montréal métropolitain
- Fiscal measures relating to nutraceuticals and functional foods
- Creation of innovation centres
- Fiscal measures relating to E-business activities carried out in certain designated sites (see article below)
- Improvement of various refundable tax credits granted in certain regions
- Adjustments concerning fiscal measures relating to the financial sector
- Technical changes

Measures with respect to individuals

Several measures to improve and simplify the personal income tax system were announced. These measures will be discussed in an article in an upcoming issue of *Tax News*, as they apply from the 2003 taxation year.

To find out more about these measures, go to **www.finances.gouv.qc.ca**.

Refundable Tax Credit for E-Business Activities

The refundable tax credit for E-business activities carried out in certain designated sites was introduced in the Budget Speech of November 1, 2001.

The refundable tax credit is granted regarding the payroll increase attributable to eligible employees of a qualified corporation that moves into designated premises located in the Montréal E-Commerce Zone or the Centre national des nouvelles technologies de Québec. The credit may be granted for five consecutive calendar years.[1]

A qualified corporation is now required to obtain an annual eligibility certificate from the Bureau du commerce électronique, certifying that the employee satisfies the eligibility conditions both for a particular calendar year and for the reference calendar year. This certificate confirms that at least 90% of the employee's duties consist in undertaking, supervising or directly supporting the activities of the certified business and are carried out either on designated premises or elsewhere, in relation to the mandates attributable to the establishment.

To claim the tax credit regarding a specific calendar year, the qualified corporation must enclose with its tax return, for the taxation year in which the calendar year ends, a copy of the certificates issued by the Bureau du commerce électronique with regard to the eligible employees, and a copy of the certificate relating to the certified business.

These changes apply as of the 2001 calendar year.

1. A certified business that begins operations during a calendar year after 2009 will be eligible for the tax credit until the 2013 calendar year inclusively.

WinRAS: Simplify the Calculation of Source Deductions and Employer Contributions

Are you an employer? Are you interested in spending less time on your fiscal obligations? Did you know that on the Web site of the Ministère du Revenu du Québec there is an application that will help you to calculate source deductions and employer contributions? The program is called "WinRAS" and is readily downloaded on personal computers.

WinRAS was created several years ago, following a survey that the Ministère conducted among employers. The program is used to calculate employer contributions to the health services fund and the Québec Pension Plan, as well as source deductions (Québec income tax and employee QPP contributions) in respect of salaries, wages and commission income. WinRAS does these calculations for all pay frequencies.

What are the advantages?

WinRAS saves time. Calculations, which are more accurate and easier to do, are based on exact salary or wage amounts, rather than on income tax tables and other documents. WinRAS also allows you to save the data used to calculate employee source deductions.

WinRAS is easy to use. You can do your own calculations by following a few straightforward steps.

For further information

Consult our Web site at **www.revenu.gouv.qc.ca** and click on "Source deductions and employer contributions." If you have any questions about the application, contact the office of the Ministère in your area.

Are You Starting a New Business?

Do you need information on income tax, consumption taxes or source deductions?

The regional branch offices of the Ministère du Revenu du Québec offer a wide range of services to help new businesses meet their fiscal obligations.

A team of experts is available in each regional branch office to assist businesses during start-up. For example, if you are starting a new business and are required to register for the GST and QST, you can obtain your registration number immediately by going to the office of the Ministère in your area. Other services available include the following:

- A special telephone line to help you obtain the information you need during start-up.
- Visits (on request) to your place of business to help you with your tax-related questions.
- Personal meetings (by appointment) at an office of the Ministère, with an employee who can provide you with the specific information you need.
- Personalized telephone follow-up for new agents. A representative of the Ministère is available (on request and at your convenience) to answer questions related to tax matters.
- Group tax-information sessions, which may be organized in co-operation with a local development centre (CLD) or one of our other partners.

The Tax on Lodging in the Saguenay–Lac-Saint-Jean Tourism Region

The Saguenay–Lac-Saint-Jean tourism region, following the example of the Montréal, Laval, Québec City, Charlevoix and Outaouais tourism regions, has opted to participate in the tourism partnership fund established by the Gouvernement du Québec to bolster and promote the Québec tourism industry.

Consequently, beginning on July 1, 2002, the specific tax on lodging of $2 per overnight stay applies to sleeping-accommodation units in the Saguenay–Lac-Saint-Jean tourism region. The tax must be charged for each such unit occupied (and for which the rental is billed) after June 30, 2002.

The operator of a sleeping-accommodation establishment is not as a rule required to collect the tax on lodging in respect of the rental of sleeping-accommodation units billed to a travel agent (or other intermediary), where the price of the rental is fixed pursuant to an agreement entered into by the operator and the intermediary before July 1, 2002, and the units are to be occupied during the period after June 30, 2002, and before April 1, 2003.

A regional tourism association (RTA) wishing to participate in the tourism partnership fund must apply to the government. The revenues generated by the tax (minus the costs of administering the tax) are remitted to the participating regions and are used in accordance with the terms and conditions set forth in a memorandum of understanding between Tourisme Québec and the RTAs of the participating regions.

Municipalities in the Saguenay–Lac-Saint-Jean tourism region

Albanel, Alma, Bégin, Chambord, Desbiens, Dolbeau-Mistassini, Ferland-et-Boilleau, Girardville, Hébertville, Hébertville-Station, La Doré, Labrecque, Lac-Bouchette, Lamarche, L'Anse-Saint-Jean, Larouche, L'Ascension-de-Notre-Seigneur, Métabetchouan–Lac-à-la-Croix, Normandin, Notre-Dame-de-Lorette, Péribonka, Petit-Saguenay, Rivière-Éternité, Roberval, Saguenay,[1] Saint-Ambroise, Saint-André-du-Lac-Saint-Jean, Saint-Augustin, Saint-Bruno, Saint-Charles-de-Bourget, Saint-David-de-Falardeau, Saint-Edmond, Saint-Eugène-d'Argentenay, Saint-Félicien, Saint-Félix-d'Otis, Saint-François-de-Sales, Saint-Fulgence, Saint-Gédéon, Saint-Henri-de-Taillon, Saint-Honoré, Saint-Ludger-de-Milot, Saint-Nazaire, Saint-Prime, Saint-Stanislas, Saint-Thomas-Didyme, Sainte-Hedwidge, Sainte-Jeanne-d'Arc, Sainte-Monique, Sainte-Rose-du-Nord.

1. Resulting from the amalgamation of Tremblay, Chicoutimi, Jonquière, La Baie, Lac-Kénogami, Laterrière and Shipshaw.

A Ten-Year Tax Holiday for Small and Medium-Sized Manufacturing Businesses in Remote Resource Regions

Throughout the period from March 30, 2001, to December 31, 2010, eligible corporations that operate a manufacturing or processing business in remote resource regions of Québec may claim a tax holiday in respect of income tax, the tax on capital and the employer contribution to the health services fund.

The regions concerned are the administrative regions of Bas-Saint-Laurent, Saguenay–Lac-Saint-Jean, Abitibi–Témiscamingue, Côte-Nord, Nord-du-Québec, Gaspésie–Îles-de-la-Madeleine, and a portion of Mauricie (that is, the regional county municipalities of Haut-Saint-Maurice and Mékinac), as well as the regional county municipalities of Antoine-Labelle, La Vallée-de-la-Gatineau and Pontiac.

Eligible corporations whose paid-up capital for a given taxation year, calculated on a consolidated basis, is $20 million or less are entitled to a full tax holiday for that year. Corporations whose paid-up capital is more than $20 million but less than $30 million are entitled to a partial tax holiday. However, no tax holiday is available for corporations whose paid-up capital is more than $30 million.

The paid-up capital of an eligible corporation for a given taxation year is the total of its paid-up capital determined for its preceding taxation year and the paid-up capital of all persons with which it is associated during the given taxation year. Eligibility is determined on a year-to-year basis, without reference to the corporation's eligibility in previous years.

For a corporation to be considered eligible for a given taxation year, all of its activities must be based out of establishments[1] located in remote resource regions. During the taxation year, the corporation's activities as a whole must consist primarily (more than 50%) in the operation of a manufacturing or processing business.

Furthermore, a corporation that has establishments outside remote resource regions, but all or substantially all (90% or more) of whose payroll for a given taxation year is attributable to employees that work at establishments of the corporation located in a remote resource region, will be considered to have establishments only in that region during the year. This is the case even if the activities of establishments of the corporation located outside remote resource regions relate to the operation of the corporation's head office **or** the operation of a business by an intermediary (employee, agent or mandatary) that is empowered to enter into contracts on behalf of the corporation or that maintains an inventory of merchandise owned by the corporation and regularly used by the intermediary to fill orders. "Head office" means the establishment where the corporation's legal, administrative and management activities are concentrated.

To determine whether a corporation's activities as a whole consist primarily in manufacturing or processing, the primary criterion to be considered is the corporation's payroll. If the payroll criterion is not sufficient to enable the corporation to claim the tax holiday, the assets used in manufacturing and processing activities may be considered.

"Manufacturing" refers to the creation or fabrication of an object. "Processing" generally means preparation, manipulation or any other activity intended to effect a transformation in a product, other than that resulting from the natural growth process. However, certain activities are expressly excluded, such as the preparation of meals and beverages ordered by customers for immediate consumption, either on the premises or for take-out.

As a rule, an eligible corporation whose paid-up capital for a given taxation year is less than $20 million may claim a tax holiday enabling it to deduct, in the calculation of its taxable income, all of its income from an eligible business. Under the Taxation Act, an eligible business is any business operated by a taxpayer in Canada, other than a designated investment business or personal services business.

If the paid-up capital of an eligible corporation for a given taxation year is more than $20 million but less than $30 million, the amount it may deduct in the calculation of its taxable income is equal to its income from an eligible business multiplied by the result of the following formula:

$$1 - \left[\frac{\text{(paid-up capital calculated on a consolidated basis} - \$20\text{ million)}}{\$10\text{ million}}\right]$$

An eligible corporation may claim, for each taxation year, a tax holiday with respect to the tax on capital. The holiday takes the form of a deduction in the calculation of the paid-up capital equal to the amount of the paid-up capital. However, where the paid-up capital of an eligible corporation for a given taxation year is more than $20 million but less than $30 million, the deduction must be reduced in a linear manner, according to the formula given above.

An eligible corporation may also claim a tax holiday with respect to the employer contribution to the health services

(continued on page 5)

1. Within the meaning of the Taxation Act.

(continued from page 4)

fund for wages paid or deemed paid in the course of the tax-holiday period. The tax holiday applies, for a given taxation year, to the total wages paid or deemed paid by the eligible corporation during the taxation year. Where the paid-up capital of an eligible corporation for a given taxation year is more than $20 million but less than $30 million, the exemption from paying the employer contribution to the health services fund must be reduced according to the formula given above.

To claim the tax holiday on income tax and the tax on capital, the corporation must file form CO-737.18.18-V, *Exemption for Small and Medium-Sized Manufacturing Businesses in Remote Resource Regions*, along with its income tax return for the taxation year concerned. To claim the exemption from paying the employer contribution to the health services fund for a given calendar year, the corporation must complete the work chart "Wages exempted from the contribution to the health services fund" in the *Guide to Filing the RL-1 Slip* (RL-1-G.V) and carry the result to form RLZ-1.S-V, *Summary of Source Deductions and Employer Contributions*.

A corporation that currently claims the tax holiday for new corporations and that would otherwise be entitled to the tax holiday for small and medium-sized manufacturing businesses in remote resource regions may irrevocably elect to claim the latter tax holiday, instead of the tax holiday for new corporations.

Erratum

In the article entitled "New Publications," which appeared on page 16 of the issue of *Tax News* for the first quarter of 2002, the reference number for the publication *NetFile Québec and Tax Preparers: General Information and Application Form 2001* was erroneously indicated as "IN-233-V." The correct reference number is "IN-223-V." We regret any inconvenience this may have caused our readers.

Tax Treatment of Scholarships and Bursaries

Scholarships, bursaries and prizes are no longer subject to income tax or the contribution to the health services fund, unless they are attributable to a registered education savings plan, or are received in the course of carrying on a business or by virtue of an office or employment.

These rules (which have been in effect since 2001) do not apply to certain bursaries that are already excluded from the calculation of income for income tax purposes. Such bursaries include those received from the Ministère de l'Éducation under the Programme d'allocation pour les besoins particuliers des étudiants atteints d'une déficience fonctionnelle majeure (allocation program respecting the special needs of students with a major functional impairment), or those relating to actual transportation costs.

The taxpayers concerned will be required to include the amount of the scholarship, bursary or prize in the calculation of their income for a given taxation year, and deduct it from their taxable income for that same year. Moreover, this amount will be excluded from the income subject to the 1% contribution payable by individuals to the health services fund.

A taxpayer who reimburses all or a portion of his or her scholarship, bursary or prize in a taxation year may not deduct the amount in the calculation of his or her income for the year of reimbursement. (This is because a deduction would already have been claimed, in the year in which the scholarship, bursary or prize was received.)

Furthermore, a scholarship, bursary or prize deducted in the calculation of taxable income no longer gives entitlement to the deduction for moving expenses.

This deduction is limited to the amount of any research grants included in the taxpayer's income for the year.

Finally, any amount included as a scholarship, bursary or fellowship in the calculation of a taxpayer's income for the year in question will be included in the calculation of the taxpayer's earned income used to determine the amount of child-care expenses giving entitlement to the tax credit.

Tax Credit Available to Taxi Owners

The information below completes that contained in the article "Tax Relief for the Taxi Industry," which appeared on page 10 of our issue for the first quarter of 2002.

Holders of a taxi owner's permit that bear all or substantially all of the fuel costs for the taxi covered by the permit may claim the tax credit. However, the amount granted as a credit to a taxi owner, for a given taxation year, cannot exceed the lower of the following amounts:

- $500, multiplied by the number of taxi owner's permits that qualify for the credit; or
- 2% of the gross income derived from the taxi owner's business (or from the lease of the vehicle for which the permit is held).

Benefits Related to the Use of Automobiles: Deduction Limits and Prescribed Rates

The deduction limits and prescribed rates applicable to benefits related to the use of an automobile are the same for 2002 as they were for 2001.

The ceiling on the capital cost of passenger vehicles, for the purposes of the capital cost allowance, is $30,000 (plus GST and QST) for purchases made after 2001.

The limit on deductible leasing costs is $800 per month (plus GST and QST) for leases entered into after 2001. Under a separate restriction, deductible leasing costs are prorated where the value of the passenger vehicle exceeds the capital cost.

The limit on tax-exempt allowances paid by employers to employees is $0.41 per kilometre for the first 5,000 kilometres and $0.35 for each additional kilometre.

The maximum allowable interest deduction respecting amounts borrowed to purchase a passenger vehicle is $300 per month with respect to loans for vehicles purchased after 2001.

The prescribed rate used to determine the value of the taxable benefit related to the personal portion of automobile operating expenses paid by employers is $0.16 per kilometre. For individuals whose principal occupation is selling or leasing automobiles, the prescribed rate is $0.13 per kilometre.

GST QST

Three- or Four-Wheel Personal Mobility Vehicles

The QST and the GST do not apply to the sale or rental of three- and four-wheel personal mobility vehicles designed for disabled persons.

These vehicles, which are generally used by people who have an illness or a physical disability that impairs their mobility, usually offer the following features:

- an adjustable seat (height, angle and swivel)
- adjustable armrests
- footrests with very low ground clearance
- an adjustable tiller (height and angle)
- an adjustable throttle control mechanism (for operation by either hand)

The sale of parts and accessories specially designed for use with these vehicles is also zero-rated.

Therefore, any individual who has paid QST and GST on such vehicles or their parts or accessories may request a refund from their supplier or from the Ministère du Revenu. To apply to the Ministère du Revenu, submit the *General Rebate Application* (form FP-189-V) for the GST and the *General Application for a Québec Sales Tax (QST) Refund* (form VD-403-V) for the QST, and attach supporting documents.

GST QST

A New Form for Non-Profit Organizations

A new form, *Non-Profit Organizations – Government Funding* (FP-523-V), is now available for any public service body that wishes to claim a GST and QST rebate as a qualifying non-profit organization. An authorized representative of the organization's head office must complete the form for each fiscal year in which the rebate is being claimed and return it to the Ministère du Revenu. The information provided will be used to establish the organization's eligibility and to process its rebate claims for the fiscal year in question. It is no longer necessary to submit annual reports and financial statements.

If the organization's percentage of government funding is less than 40%, the organization is not to submit the FP-523-V form or a rebate application for the fiscal year.

A **registered charity** or a **registered Canadian amateur athletic association** within the meaning of the Income Tax Act should not complete the form.

The Ministère began sending the new form to the organizations concerned in December 2001. The form is sent in the month following the end of the organization's fiscal year, and is to be filed with the organization's rebate applications.

QST

Restrictions on ITRs for Large Businesses

The following property and services generally do not give entitlement to input tax refunds (ITRs) when acquired by a large business:

- road vehicles weighing less than 3,000 kilograms that must be registered under the Highway Safety Code to be driven on public roads;
- property and services pertaining to the above-mentioned vehicles that are acquired or brought into Québec within 12 months following the date on which the vehicles were acquired or brought into Québec;
- fuel, other than fuel oil, used to supply the engine of such road vehicles;
- electricity, gas, steam or combustibles, except when used to produce movable property intended for sale;
- telephone services and other telecommunications services (with the exception of 1 800 services, 1 888 services or other similar telephone services), Internet access or Web site hosting services;
- food, beverages and entertainment that are 50% deductible under the Taxation Act. See the article entitled "Can ITCs and ITRs Be Claimed with Regard to Expenses for Food, Beverages and Entertainment?" on page 12.

Please note that input tax credits (ITCs) may generally be claimed in respect of the above-mentioned property and services.

What is a large business?

A registrant is generally considered to be a "large business" if the value of the taxable sales[1] (other than sales of financial services) made in Canada by the registrant and the registrant's associates exceeded $10 million during the last fiscal year that ended before a fiscal year beginning after July 1, 1999.

The value of the taxable sales made in Canada includes the value of all exports. It also includes the value of sales deemed to have been made for nil consideration pursuant to an election made jointly by corporations that are specified members of a group of closely related corporations. However, it excludes GST and the value attributable to the sale of immovables that are capital property, or the goodwill of a business sold (where no QST is payable on the goodwill).

Banks, trust companies, credit unions, investment plans, insurers, the segregated funds of insurers, the Régie de l'assurance-dépôts du Québec and the Canada Deposit Insurance Corporation are considered large businesses regardless of the value of their taxable sales. Persons related to any of the above-mentioned financial institutions are also considered large businesses.

1. Since sales are the most frequent type of supply, "sales" is used instead of "supplies."

GST
QST

Discounts and Rebates

An early-payment discount is sometimes granted when a customer pays for a purchase within the period specified on the invoice. The discount does not change the amount on which the GST and QST are calculated. The taxes apply to the full price indicated on the invoice, before the amount of the discount is subtracted.

Example

A retailer buys television sets from a supplier at a cost of $50,000. The sales invoice states that the purchaser will receive a 2% discount if payment is made within 10 days. The retailer makes the payment within the 10-day period.

Cost of television sets		$50,000
GST (7%)	+	3,500
QST (7.5%)	+	4,013
Subtotal		$57,513
Reduction ($50,000 x 2%)	-	1,000
Amount payable		$56,513

Provided certain conditions are met, the supplier may consider the early-payment discount to be a rebate paid to the customer. This allows the supplier to claim an input tax credit (ITC) equal to 7/107 of the amount of the discount and an input tax refund (ITR) equal to 7.5/107.5 of the amount of the discount. The supplier must in this case indicate to the customer in writing that the amount granted as a rebate includes the GST and QST.

If the customer that obtains the discount is a registrant and is entitled either to an ITC and an ITR or to a rebate of the GST and QST, the following rules apply:

- In the customer's net tax calculation, an amount equal to 7/107 of the discount must be added to the GST, and an amount equal to 7.5/107.5 of the discount must be added to the QST.
- If the invoice is drawn up by the customer (rather than by the supplier), the supplier may claim an ITC and an ITR. To be entitled to do so, the supplier must indicate to the customer in writing that the discount includes the GST and QST. The amount of GST and QST included in the discount is then added in the customer's net tax calculation.

Tax FAQs

Each day, employees of the taxpayer service of the Ministère du Revenu are called upon to answer a multitude of important questions. At our request, they have provided us with the most frequently asked questions so that we can publish the answers for your benefit. This article will undoubtedly be of great interest to you; we have therefore decided to make it a regular feature in upcoming issues.

Topics to be discussed include the GST and QST, personal income tax, corporation income tax, source deductions, or any other noteworthy issue. In this début article, you will find answers to some of the most frequently asked questions concerning the GST, the QST, and the income tax payable by self-employed individuals.

My small business makes less than $30,000 in sales. I therefore qualify as a small supplier, and am not registered for the GST and QST. I wish to open a commercial account, and my bank has asked me for my GST and QST registration numbers. Do I have to register just to open a commercial account?

You may not obtain GST and QST registration numbers just to open a commercial account. However, even if you are a small supplier, you may elect to register for the GST and QST and thereby receive your registration numbers. By doing so, you will become an agent of the Gouvernement du Québec, and will be required to collect the GST and QST each time you make taxable sales or render taxable services. However, as a rule, you would be entitled to claim input tax credits (ITCs) with respect to the GST and input tax refunds (ITRs) with respect to the QST paid on purchases made for the purposes of supplying taxable property or services.

Am I entitled to ITCs and ITRs with respect to the GST and QST paid on property that I acquired for my business before I registered?

Small suppliers who elect to register may claim ITCs and ITRs in respect of the property they had on hand, immediately prior to registration, for the purposes of consumption, use or sale in their commercial activities. As a rule, the ITCs and ITRs to which a supplier is entitled are equal to the GST and QST paid on the property, and on improvements to the property, after the deduction of any amounts (other than ITCs or ITRs) that the person was entitled to recover by rebate, remission or otherwise, and taking into account any depreciation in the value of the property. A similar rule applies to services.

I am a small supplier. I have not registered for the GST and QST, and therefore do not have any registration numbers. I do not want my customers to think that I am working under the table, so I write "Taxes included" on my invoices. In fact, I do pay the taxes when I purchase my supplies, and the amount paid is included in the price billed. Is this right?

As a small supplier, you have the choice of registering for the GST and QST. However, if you elect not to register, you must not collect the taxes from your customers. The note "Taxes included" (or any similar note) should therefore not appear on your invoices.

The taxes you pay on the purchase of supplies are included in the acquisition cost, just as are the price of materials, transportation costs, etc. Any person who collects taxes (whether included or not in the selling price) is acting as the agent of the Gouvernement du Québec and, as such, must remit the taxes to the Ministère.

Six months ago, I registered for the GST and QST so that I could obtain a service contract with a business. Unfortunately, the contract was not awarded to me. As things stand now, my customer base consists of individuals only. I do not charge them taxes, because my sales figure is less than $30,000. Can I cancel my registration?

Persons registered for the GST and QST are required to collect the taxes on all taxable property and services, regardless of their sales figure. You must, as a rule, collect the taxes on the services you provide to individuals.

You must maintain your registration in force for at least one year. If, after that period, your taxable services rendered in the last four calendar quarters amount to $30,000 or less, you can cancel your registration with the Ministère.

Am I required to collect GST (or QST) on property sold to a business that is acquiring it for the purposes of export outside Canada (or for shipment outside Québec)?

The sale of the property is zero-rated, that is, no taxes are to be collected, if the following conditions are met:

- The purchaser exports the property outside Canada (or, for QST purposes, ships the property outside Québec) as soon as is reasonable after taking delivery of the property, in view of the circumstances surrounding the export (or shipment outside Québec) and, where applicable, the purchaser's normal business practices.
- The property has not been acquired for consumption, use or supply in Canada prior to export (or in Québec, prior to shipment outside Québec).

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- After the property is sold, but before it is exported (or before it is shipped outside Québec), the property is not further processed, transformed or altered in Canada (or, for QST purposes, in Québec) except to the extent reasonably necessary or incidental to its transportation.
- You maintain evidence satisfactory to the Minister that the property has been exported (or shipped outside Québec) or, where authorized by law, the purchaser provides you with a certificate specifying that the property will be exported (or shipped outside Québec) in the circumstances described above.

I am self-employed. Do I need to pay myself a salary and make source deductions? If not, how do I go about paying my income tax?

You are not required to pay yourself a salary or make source deductions. Instead, you must report your income and expenses in your personal income tax return. Since you are self-employed, you have until June 15 (rather than April 30) to file your return without being subject to a penalty. However, if you have a balance payable on April 30, the interest on that amount will be calculated as of May 1.

You may be required to make instalment payments if the income tax that you estimate you will have to pay for the current year is over $1,200, and you paid income tax of more than $1,200 for either of the two preceding taxation years.

Your instalment payments cover your income tax, your contributions to the Québec Pension Plan (QPP) and the health services fund, and your premium under the Québec prescription drug insurance plan. Your income tax payable is equal to the amount payable for the year, minus the total income tax withheld at source and your refundable tax credits for the year (except the property tax refund).

I am self-employed. How do I make a contribution to the QPP?

Your QPP contribution is made at the time you file your income tax return or, if you are required to make instalment payments, at the time you make the payments. Be sure to complete the work chart "QPP contributions required on income from self-employment, and optional contributions," which is included in your income tax return booklet. The contribution must cover both the employer's and the employee's share. The portion of the contribution (50%) that corresponds to the employer's share may be deducted from income. The portion (50%) that corresponds to the employee's share may give entitlement to a non-refundable tax credit.

Reminder for Builders Filing GST/HST New Housing Rebate Applications

If you are a qualified builder, you may pay or credit new housing rebates to eligible purchasers. The purchaser must provide a duly completed and signed copy of the following forms: *GST New Housing Rebate* (form FP-190-V); *QST New Housing Rebate Application* (form VD-366-V); and, if applicable, a *QST New Housing Rebate Application (Home on Leased Land or Share in a Co-op)* (form VD-366.FP-V).

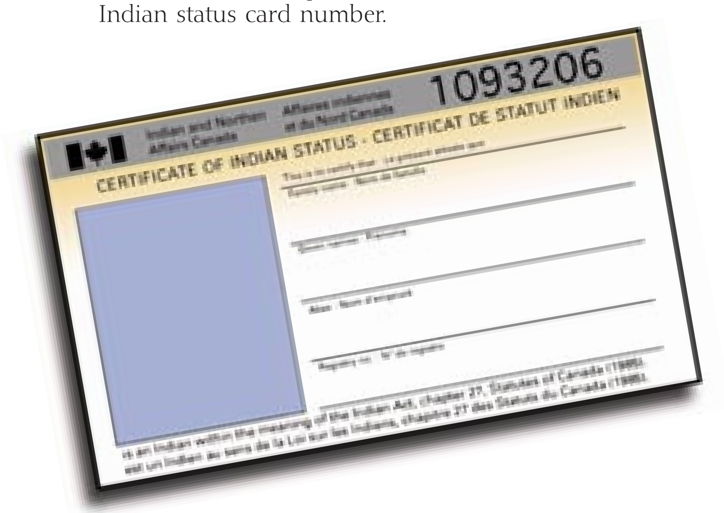
If you pay or credit rebates to eligible purchasers and submit their rebate applications to the Ministère du Revenu, you may claim corresponding deductions on line 107 of your GST return and on line 207 of your QST return when you calculate your net tax for the reporting period in which you pay or credit the rebates.

You must file the duly completed and signed rebate applications together with your regular GST and QST returns for the reporting period in which you pay or credit the rebates. Otherwise, the Ministère may disallow the deduction and apply a penalty and interest on the difference between the net tax owing and the net tax actually remitted.

Tax Exemption for Indians: Proof Required

Indians must fulfil certain conditions in order to acquire property and services without paying GST and QST. They must, among other things, show their certificate of Indian status to vendors as proof of their registration under the Indian Act.

The certificate of Indian status is issued by the Department of Indian Affairs and Northern Development. The certificates are laminated cards that display the Canadian maple leaf logo, followed immediately by the department name "Indian and Northern Affairs Canada." The card also bears a photograph and, in some cases, a description of the individual, a registry number (usually nine or ten digits), the name of the band to which the individual belongs, and the family number. The vendor is required to indicate on each invoice (or any other document substantiating the sale) the name of the purchaser and the certificate of Indian status card number.



Only the certificate issued by the Department of Indian Affairs and Northern Development constitutes acceptable proof; Indians must show this card in order to obtain the tax exemption on property and services acquired on reserve. Off-reserve purchases are tax-exempt provided the property is delivered to the reserve by the vendor. In such situations, the vendor is also required to keep proof of delivery to the reserve.

Some Indian organizations issue identification cards to their members. These cards are not recognized by the Ministère du Revenu for the purposes of the exemption. Vendors are therefore required to collect and remit GST and QST on all transactions carried out with persons who hold such cards.

Memberships Acquired by Indians

Property may be acquired on a reserve by an Indian, an Indian band or a band-empowered entity (or may be delivered to a reserve) without payment of the GST or the QST, provided certain conditions are met.

A membership comprises various rights to property or services and is therefore considered incorporeal movable property (as are patents and cutting rights). Such property cannot be delivered to a reserve. However, it is not subject to GST or QST if it is to be used exclusively on a reserve. For example, if a membership to a recreation centre gives access to property and services that can be used only on a reserve, the membership is considered to be situated on a reserve and is, therefore, tax-exempt.

Indians Making Rebate or Refund Claims

Property and services purchased by Indians, Indian bands and band-empowered entities are generally GST- and QST-exempt, provided certain conditions are met. In instances where the GST and QST are paid in error, the persons concerned are entitled to a refund.

Indian bands and band-empowered entities are required to pay tax on off-reserve transportation services, short-term accommodation, meals and entertainment. These persons may, however, recover the tax if the property and services are purchased for band-management activities or for immovable property situated on a reserve.

Indians, Indian bands and band-empowered entities are required to file their rebate or refund claims no later than two years after they paid the tax, by submitting a copy of the *General Rebate Application* (form FP-189-V) with respect to the GST, and a copy of the *General Application for a Québec Sales Tax (QST) Refund* (form VD-403-V) with respect to the QST.

With regard to the other consumption taxes (the fuel tax, for example), rebate claims must be submitted no later than four years after the tax is paid.

Self-Supply Rules for Residential Complex Builders

Registrant and non-registrant builders who rent or occupy a residential property which they have built must generally pay GST and QST on the fair market value of the residential property.

Builders

For purposes of the Excise Tax Act and the Act respecting the Québec sales tax, a builder is generally a person that is in the business of constructing or substantially renovating housing on land that the person owns or leases. A builder also includes a supplier of a previously unoccupied mobile home or floating home, a person who acquires an interest in unoccupied new housing for resale purposes, or for certain lease purposes, or a person who acquires an interest in a residential complex while it is under construction or substantial renovation. An individual is not considered to be a builder by reason of any of the foregoing criteria unless his or her actions are carried out in the course of a business or an adventure or concern in the nature of trade.

Self-supply rules

"Self-supply" means that the builder of the residential complex is deemed to have sold and repurchased the complex on the later of the following dates: the date on which the work is substantially completed, or the date on which possession of the building is transferred to the builder or the building is occupied by the builder. The deemed sale triggers a liability for tax. The result is that the builder is required to account for and remit the GST and QST on the fair market value of the complex at the time of the self-supply.

The purpose of the self-supply rules is to remove a potential tax advantage that may be available to a person constructing or substantially renovating a residential complex, but not to a person purchasing the complex in a completed state from a builder. The self-supply rules ensure that the value added to the complex is subject to the GST[1] and QST. If a builder has paid GST and QST under these self-supply rules, any subsequent resale of the complex is generally exempt.

A builder who is registered for the GST and QST is generally entitled to input tax credits (ITCs) and input tax refunds (ITRs) on costs incurred in relation to the construction of the complex. If the builder is not a registrant, a rebate of the GST or QST related to the acquisition of the land and improvements to the land (e.g., construction services and building materials) may be claimed once the self-supply has occurred.

1. Or HST, if the complex is situated in a participating province, i.e., Nova Scotia, New Brunswick, or Newfoundland and Labrador.

Self-supply rules apply where a builder

- constructs or substantially renovates a residential complex that is subsequently leased as a place of residence (e.g., rented) before being sold;
- constructs or substantially renovates a residential building that is situated on land that the builder owns, where the builder is selling the building and leasing the land to the purchaser; or
- constructs or substantially renovates a residential building that is situated on land that the builder leases, where the builder is selling the building and assigning the leasehold interest in the underlying land to the purchaser.

The following builders are generally excluded from the application of the self-supply rules:

- an individual (or a person who is related to, or is the former spouse of, the individual) who occupies a residential complex primarily as his or her place of residence, provided the individual has not used the complex primarily for any other purpose and has not claimed any ITCs or ITRs in respect of the acquisition of, or improvements to, the complex;
- universities, public colleges and school authorities in respect of the construction of student residences;
- certain religious communal organizations; and
- registrants that construct residential complexes at remote work sites for individuals (or persons related to those individuals) who are employees or contractors (including the contractor's subcontractors) of the registrant, if the registrant elects not to have the rules apply.

Special rules also apply to certain builders who receive government funding.

Can ITCs and ITRs Be Claimed with Regard to Expenses for Food, Beverages and Entertainment?

Where expenses for food, beverages and entertainment are subject to a 50% limitation for income tax purposes, input tax credits (ITCs) and input tax refunds (ITRs) are also limited to 50% of the expenses incurred.

Where a taxpayer rents a fishing lodge to be used primarily to entertain customers, shareholders and employees, the amount of the rental cannot be deducted in calculating the taxpayer's income. However, ITCs and ITRs may be claimed with regard to the rental expense (provided all the conditions for claiming an ITC or ITR are met). As in the case of food, beverages and entertainment expenses, the ITCs and ITRs are subject to a 50% limitation.

The same rule applies to other expenses related to food, beverages and entertainment, where a deduction is disallowed for income tax purposes but no similar provision exists under the GST and QST systems. For example, if a taxpayer claims an income tax deduction for convention expenses but the deduction is denied because the convention is the third the taxpayer has attended in the same year, ITCs and ITRs may still be claimed with regard to the convention expenses.

Allowances Paid to Employees for the Use of a Motor Vehicle for Employment Purposes

Where an allowance paid to an employee for the use of a motor vehicle is a combination of a flat rate and a rate based on the number of kilometres actually travelled to carry out the duties of an office or employment, the employee must include the total allowance (provided it is paid with regard to the same vehicle) in his or her income from an office or employment. This measure has been in effect since January 1, 2001.

An allowance that combines a flat rate and a per-kilometre rate is not considered a reasonable allowance. An employer therefore cannot claim input tax credits (ITCs), input tax refunds (ITRs) or rebates with regard to combined allowances paid to employees. Nor can ITCs, ITRs and rebates be claimed by a partnership that pays combined allowances to partners, or by a charity or public institution that pays combined allowances to volunteers. However, an employee or partner who receives such an allowance may be entitled to deduct certain motor-vehicle expenses for income tax purposes, and may therefore claim the rebate for employees and partners under the GST/HST and QST systems.

Tangible Personal Property for Shipping Outside Canada

A supply of tangible personal property[1] made by a supplier to a recipient is zero-rated if the supplier delivers the property to a common carrier[2] under certain conditions, or mails the property for delivery outside Canada (outside Québec, under the QST system).

Example

A Montréal manufacturer sells a set of office furniture in Montréal and arranges to have it delivered to the United States. For the sale to be zero-rated, the furniture must be shipped directly from the supplier to the U.S.

A manufacturer who sells furniture in Canada (or in Québec, under the QST system) to a recipient located in the U.S., and who zero-rates the transaction, must arrange for the delivery of the furniture to a common carrier. The carrier will then deliver the furniture to the U.S.

Possession of the furniture must pass from the manufacturer to the carrier, for direct shipment outside Canada (or outside Québec, under the QST system). The manufacturer must maintain sufficient evidence that the property has been sent outside Canada (or outside Québec, under the QST system). The evidence may be a bill of lading, customs documentation for the country of destination, etc.

1. The term used under the QST system is "corporeal movable property." Such property includes, tools, furniture, replacement parts and equipment.
2. A common carrier is generally a person engaged in the business of transporting property from place to place for compensation, and who offers services to the public.

Rebate of the GST and the QST for Trusts Governed by a Multi-Employer Pension Plan

A rebate of the GST and the QST may be claimed by trusts governed by a multi-employer pension plan with respect to the property and services that are acquired, brought into Québec or imported[1] for consumption, use or supply in relation to the plan.

The rebate is intended to place trusts governed by a multi-employer pension plan on a comparable footing with registered plans of a single employer with respect to the overall amount of tax paid in respect of expenses relating to the plan.

The rebate is equal to 33% of the GST and 100% of the QST that the trust incurs in respect of expenses relating to the pension plan and that would otherwise be unrecoverable. To give entitlement to the rebate, the plan must be registered under the Income Tax Act and satisfy the definition of "multi-employer plan" in the Income Tax Regulations. Plans in which 10% or more of the total employer contributions were made or expected to be made by listed financial institutions such as banks, trust companies and insurance companies are not eligible for the GST rebate. However, such an exception does not exist under the QST system.

The rebate applies to the GST and the QST that the trust is required to pay after 1998. To claim the GST rebate, the trust must complete form FP-521-V, *GST/HST Multi-Employer Pension Plan Trust Rebate Application*. To claim the QST rebate, the trust need only submit a written application to the Ministère du Revenu. The trust has up to two years from October 20, 2000, or two years after the end of the claim period in which the tax became payable, to file an application for the rebate.

1. Or transferred to a participating province (that is, Nova Scotia, New Brunswick, or Newfoundland and Labrador).

Specially-Equipped Motor Vehicles

The purchaser of a motor vehicle specially equipped for persons with disabilities may be entitled to a rebate respecting the special features of this type of vehicle. A GST/QST registrant supplier may pay or credit the rebate directly to the purchaser at the point of sale. This means that the purchaser is not required to pay GST or QST with respect to the special features of the vehicle or the adaptations made for the purposes of the sale, and then apply for a rebate at a later date.

The rebate may be claimed respecting the taxes paid on the purchase of specially-equipped motor vehicles (qualifying vehicles) used by or to transport individuals using wheelchairs (without having to fold the chairs), and vehicles equipped with auxiliary driving controls for individuals with disabilities. To apply for a rebate of both the GST and the QST, complete form FP-2518-V, *Rebate of the Tax Paid in Respect of a Vehicle Adapted for the Transportation of Persons with Disabilities.*

The rebate applies to new vehicles, second-hand vehicles that have not been used since being specially equipped, and qualifying motor vehicles purchased by the first lessee of the vehicle, upon the exercise of an option under that lease.

Please note that the tax relief applies only to the portion of the purchase price reasonably attributable to the special features of the vehicle, not to the vehicle itself. The supplier must certify in writing which portion of the purchase price of the vehicle is related to the vehicle's special features.

Services Supplied by Agents

Generally, if you are a registrant who acts as a mandatary[1] in making supplies of corporeal movable property[2] (otherwise than by auction) on behalf of a mandator,[3] you are required to collect and account for the tax on your taxable (other than zero-rated) supplies of services made to the mandator. If you are a mandatary, you must collect and account for the tax, regardless of the tax status of the property (taxable, zero-rated or exempt) and regardless of whether you have made a joint election with the mandator to account for and remit the tax collectible by the mandator on the property.

If the mandator is not required to collect GST and QST on taxable property, the corporeal movable property that you supply on behalf of the mandator is considered to be supplied by you. In general, a mandator that is not a GST and QST registrant is not required to collect the taxes. You are therefore required to collect and account for the tax payable on the property. However, you are not considered to have supplied services to the mandator in relation to this property and are, consequently, not required to collect and account for the tax on those services.

1. "Agent" under the GST system.
2. Land, computers, cash registers and household cleaning products are examples of corporeal movable property. The term "tangible personal property" is used under the GST system.
3. "Principal" under the GST system.

In Your Interest

GST

Prescribed interest rates are adjusted quarterly to reflect market trends. Penalties and interest related to the GST are compounded daily. Annualized interest rates and penalty rates for the quarterly periods from July 1, 2001, to June 30, 2002, are listed below.

Period	Annualized interest rate*	Penalty rate
	%	%
2001		
July 1 – Sept. 30	4.7609	6
Oct. 1 - Dec. 31	4.7609	6
2002		
Jan. 1 – Mar. 31	2.4333	6
Apr. 1 – June 30	2.4066	6

* To calculate interest for the purposes of the GST, find the daily rate by dividing the annualized rate by 365.

Act respecting the Québec sales tax, and other specific statutes

Interest is capitalized daily on amounts due and refunds granted under Québec tax laws. The prescribed interest rate applicable to debts owed to the Ministère du Revenu is set by calculating the simple arithmetic mean of the base rates for bank loans to businesses, as published by the Bank of Canada on the last Wednesday of each month included in the three-month period ending in the second month of the preceding quarter (for example, November 24, 1999, is the last Wednesday of the second month in the quarter preceding the first quarter of 2000). The result is rounded off to the nearest whole number (one-half being rounded down), and increased by 3%.

Up to December 31, 1999, the interest rate applicable, for a particular calendar quarter, to refunds payable by the Ministère du Revenu was the rate for Québec savings bonds in effect on the first day of the third month of the preceding quarter, as published in the *Gazette officielle du Québec*.

As announced in information bulletin 99-5 published by the Ministère des Finances du Québec on November 26, 1999, amendments were made to the Regulation respecting fiscal administration with regard to the interest rate applicable to refunds payable by the Ministère du Revenu. The new rate, which applies to refunds payable by the Ministère as of January 1, 2000, corresponds to the rate in effect, with regard to the most recent issue of Québec savings bonds, on the first day of the third month of the quarter preceding the calendar quarter concerned. Thus, the interest rate for the quarter beginning on January 1, 2000, is the rate in effect on December 1, 1999, with regard to the issue of Québec savings bonds that was most recent on that date.

The following is a list of interest rates respecting refunds payable by and debts owed to the Ministère, for the quarterly periods from July 1, 2001, to June 30, 2002.

		Interest rate
		%
2001		
July 1 - Sept. 30	Refunds	3.35
	Debts	10
Oct. 1 - Dec. 31	Refunds	3.35
	Debts	9
2002		
Jan. 1 - Mar. 31	Refunds	3.35
	Debts	8
Apr. 1 – June 30	Refunds	3.35
	Debts	7

The penalty rates are

- **7%** of the amount to be paid or remitted further to the application of a fiscal law, where the amount is no more than seven days late;
- **11%** of the amount to be paid or remitted further to the application of a fiscal law, where the amount is no more than 14 days late; and
- **15%** in all other cases.

Amendments Announced by the Ministère des Finances

The amendments below were announced by the Ministère des Finances du Québec in information bulletins 2001-13 dated December 20, 2001, and 2002-1 dated January 28, 2002. For more details, consult the Web site of the Ministère des Finances at **www.finances.gouv.qc.ca**.

Measures concerning individuals

Non-taxation of certain meal and transportation indemnities paid to employees working overtime

Exemption of the first $500 representing the value of gifts and rewards to employees

Eligibility of the deduction respecting the co-operative investment plan (CIP) under the simplified tax system

Measures concerning businesses

Introduction of a refundable tax credit for the modernization of the taxi fleet

Adjustments to the tax assistance relating to the carrying out of innovative projects and eligible activities in certain designated sites

CDTI de Laval and Centre de développement des biotechnologies de Laval

(continued on page 15)

Interpretation Bulletins

In December 2001, and from January to May 2002, the Ministère du Revenu published 40 interpretation bulletins, of which 24 deal with income tax and 16 with consumption taxes. The numbers and subjects of the bulletins are listed below (the letter R in a number indicates that the bulletin has been revised). Interpretation bulletins can be purchased from Les Publications du Québec, either individually (price varies according to the number of pages) or by subscription. For information about subscriptions or the availability of bulletins, call (418) 643-5150 or 1 800 463-2100.

Income tax

IMP.1141-1/R3 Recognition as a "loan corporation"

LMR. 28-1/R53 Interest rates

SPECIAL 155 Improvement to fiscal policy regarding employee benefits, introduction of a refundable tax credit for the renewal of the stock of taxi vehicles and other fiscal measures

IMP. 37-5/R10 The value of benefits in respect of a dwelling located in a prescribed area

IMP.1136-8/R1 Letters of credit and bank acceptances

RAMQ. 34-2/R2 Amount paid under a profit-sharing plan or an employee benefit plan

SPECIAL 156 Improved tax assistance for giant-screen films

IMP. 1136-15/R2 The financing of vehicles purchased for resale

SPECIAL 157 Various regulations to amend regulations of a fiscal nature

SPECIAL 158 Bill 9
An Act to amend the Act to facilitate the payment of support

SPECIAL 159 Bill 10
An Act to amend the Act respecting the Ministère du Revenu and other legislative provisions

SPECIAL 160 Bill 34
An Act to again amend the Taxation Act, the Act respecting the Québec sales tax and other legislative provisions

SPECIAL 161 Bill 175
An Act to amend the Taxation Act, the Act respecting the Québec sales tax and other legislative provisions

SPECIAL 162 Measure supporting the development and capitalization of Québec cooperatives

IMP. 79.1-1/R2 Deduction in respect of remuneration earned abroad by a resident of Canada

IMP. 79.1-2/R2 Deduction in respect of remuneration earned abroad by a resident of Québec

IMP. 737.25-1 Deduction for employment out of Canada

LMR. 15-1/R1 Notice of the Minister of Revenue to a garnishee under section 15

LMR. 28-1/R54 Interest rates

IMP. 77-1/R2 Judicial or extrajudicial expenses paid by an individual

RRQ.45-2/R2 Pensionable salary, wages and earnings of a worker

RRQ. 52-1/R3 Amalgamation of companies

IMP. 113-1/R3 Loans or debts of shareholders or persons connected with shareholders

SPECIAL 163 Streamlining of certain measures concerning the administration of the tax laws and collection

Consumption taxes

LMR. 28-1/R53 Interest rates

SPECIAL 123 Improvement to fiscal policy regarding employee benefits, introduction of a refundable tax credit for the renewal of the stock of taxi vehicles and other fiscal measures

TVQ. 176-3/R1 The supply of a hospital bed

TVQ. 165-1 Carrying out of municipal works

SPECIAL 124 Various regulations to amend regulations of a fiscal nature

SPECIAL 125 Bill 10
An Act to amend the Act respecting the Ministère du Revenu and other legislative provisions

SPECIAL 126 Bill 34
An Act to again amend the Taxation Act, the Act respecting the Québec sales tax and other legislative provisions

SPECIAL 127 Bill 175
An Act to amend the Taxation Act, the Act respecting the Québec sales tax and other legislative provisions

LMR. 15-1/R1 Notice of the Minister of Revenue to a garnishee under section 15

LMR. 28-1/R54 Interest rates

TVQ. 16-1/R2 The government of Canada and Québec's consumption taxes

TVQ. 178-2 Supply of farmland by way of lease, licence or similar arrangement

TVQ. 415-2/R1 Retroactive registration

SPECIAL 128 Application of the tax on lodging in the Saguenay–Lac-Saint-Jean tourist region

TVQ. 176-6 Supply of three- and four-wheel personal mobility vehicles

TVQ. 206.1-8 Input tax refunds in respect of gasoline used by large businesses

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Adjustment to tax assistance relating to E-Commerce Place

Refundable tax credit for E-business activities carried out in certain designated sites

Refundable tax credit for technological adaptation services

Minimum gross tonnage of a ship standardized at 50 tons

Changes to the stock savings plan

Measures concerning culture

Refundable tax credit for Québec film and television production

Refundable tax credit for the production of shows

Concordance adjustment under certain refundable tax credits in the cultural field

Clarification concerning coordination of certain refundable tax credits relating to the cultural field

Québec giant screen film industry

Measures concerning consumption taxes

Clarification concerning the exemption of school transportation services

Application of the exchange rule to transfers of road vehicles by large businesses

Changes to the QST refund paid by an exporter regarding a motor vehicle

Continuaton of exemption of speech therapy services

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New Publications

In recent months, the Ministère du Revenu has published or updated the following documents:

- **IN–135–V** *Tax Audits of Businesses and Business Persons* (2002-02)
- **IN–901–V** *The Collection of Support Payments* (2002-04)
- **IN–260–V** *Tax on Lodging* (2002-05)

The Canada Customs and Revenue Agency has published or updated the following documents:

- **IN–4036–V** *GST/HST Information for the Travel and Convention Industry*
- **IN–4081–V** *GST/HST Information for Non-Profit Organizations*
- **Memorandum 17.14** *Election for Exempt Supplies*

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This publication is distributed for information purposes only. The articles it contains do not replace the laws, regulations or administrative texts to which they refer. Nor do they supersede proposed amendments to laws or regulations, or constitute a legal interpretation of the Act respecting the Québec sales tax, the Excise Tax Act or any other Québec or federal statute.

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Suggestions and **comments** should be faxed to (418) 646-0167.

Subscription enquiries should be faxed to the number given above. Your fax should include all pertinent information, as well as a copy of the last page of *Tax News* (on which your address is printed).

If you are a QST or GST registrant, you receive *Tax News* at the address to which all correspondence concerning the administration of the taxes is sent. To make a change to your **address**, contact the office of the Ministère in your area.

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