

Tax News

First and second quarters 2001

This issue of *Tax News* summarizes the main fiscal measures affecting businesses and the measures concerning consumption taxes that were contained in the Budget Speech pronounced by Pauline Marois, Deputy Prime Minister and Minister of State for the Economy and Finance, on March 29, 2001. Further details concerning some of the measures will appear in future issues of *Tax News*.

BUDGET SPEECH, 2001 - 2002¹

Measures concerning Consumption Taxes

The Québec sales tax (QST)

Zero-rating of mandatory services provided by a transfer agent to a Canadian corporation not resident in Québec

As a rule, the services provided by transfer agents in Québec to Canadian corporations not resident in Québec are zero-rated under the Québec sales tax (QST) system. However, the mandatory services they provide to these corporations in relation to the transfer of shares remain taxable. In order to avoid the shift of purchases of such services outside the province and to maintain the level of competitiveness of Québec transfer agents, these services will be zero-rated.

This change applies to the supply of such services for which the total consideration is due after March 29, 2001, and has not been paid by that date. It will also apply to the supply of such services for which a portion of the consideration is due after March 29, 2001, and has not been paid by that date, although the QST will remain payable in respect of any part of the consideration that is due or has been paid by March 29, 2001.

Non-application of the QST in respect of certain transfers of used road vehicles made without consideration

To prevent the parties to a transaction relating to used road vehicles from declaring that the vehicle was obtained for free or for a lower price than that actually paid, an anti-avoidance measure stipulates that, in general, the amount of QST payable must be calculated on the basis of the higher of the following amounts: the sale price agreed upon by the parties to the transaction, or the average wholesale price given in certain reference books, less \$500.

The QST system will be changed to exempt the transfer of a used road vehicle between corporations (other than business corporations), in the case of a transfer of rights and obligations, without consideration, as provided for by law.

This change will apply to the transfer of a used road vehicle made in the above circumstances after March 29, 2001.

Introduction of a presumption regarding the qualification of the supply of movable property delivered electronically

Under the goods and services tax (GST) system, the supply of movable property delivered electronically (such as a tax software program) is considered to be a supply of incorporeal movable property,

whereas the same supply under the QST system is considered to be a supply of corporeal movable property, in accordance with the principles of civil law applicable in Québec.

This difference is not desirable, given the wish to harmonize the two tax systems. Consequently, the QST system will be changed so that a supply of movable property delivered electronically is considered to be a supply of incorporeal movable property.

This change will apply to the supply of movable property delivered after March 29, 2001.

Measures concerning specific taxes

Change to the calculation of the general duty on beer supplied for consumption in an establishment

Beer supplied to a retailer for consumption in an establishment operated by that retailer in Québec is subject to a 7.5% general duty, which is calculated on the sale price paid or on the price that would have been paid if the beer had been purchased.

The general duty applicable to beer supplied for consumption in an establishment will no longer be calculated on the basis of the sale price that was paid or that would have been paid if the beer had been purchased, but rather on the

1. This is a summary of the document entitled *Additional Information on the Budgetary Measures*, which can be found on the Web site of the Ministère des Finances du Québec, under "The Budget," at the following address: www.finances.gouv.qc.ca.

basis of the higher of the following amounts: the price actually paid, or the average sale price (set by regulation) in effect at the time the beer was purchased.

Until the Ministère du Revenu du Québec sets new average prices, which it will do henceforth on an annual basis, the average sale price set by regulation will be equal to \$2.501 per litre, which corresponds to the current average sale price of beer made by a person who supplies it for consumption in his or her own establishment.

This change will apply to beer supplied to a retailer after March 29, 2001, as well as to beer supplied by way of sale to a retailer no later than March 29, 2001, for which the retailer, after that date, applies to the MRQ for a refund of the general duty.

Measures respecting Income Tax

BUSINESSES

Measures for regions

Ten-year tax holiday

To stimulate economic development in the regions of Québec where the employment situation is the most difficult, a temporary tax holiday will be granted to small and medium-sized manufacturing businesses in the remote resource regions of the province. Eligible corporations that carry on a manufacturing or processing business in these regions will qualify for a tax holiday for taxation years ending after March 29, 2001, until December 31, 2010; this tax holiday, like the one for new corporations, will apply to **income tax, tax on capital and the employer contribution to the health services fund**, with the difference that there will be no ceiling respecting the different tax bases in question.

The tax holiday can be claimed **in full** for a taxation year if the corporation's paid-up capital for the preceding year, calculated on a consolidated basis, does not exceed \$10 million, and **in part** if its paid-up capital for that year is over \$10 million but under \$15 million. A corporation with a paid-up capital of \$15 million or more does not qualify for the tax holiday.

More than 50% of the corporation's activities in the taxation year, as determined on the basis of payroll, must consist in the carrying on of a manufacturing or processing business. If payroll alone does not allow the corporation to qualify, assets used in manufacturing or processing for the year may also be taken into account.

A corporation may qualify for the tax holiday even if it is a subsidiary of an

existing corporation that transferred a portion of its activities to the subsidiary. If the subsidiary is already claiming the tax holiday for a new corporation, it may nonetheless claim the additional tax holiday for taxation years ended after March 29, 2001.

The following administrative regions (or portions thereof) are considered remote resource regions:

- Bas-Saint-Laurent (region 01);
- Saguenay-Lac-Saint-Jean (region 02);
- the Haut-Saint-Maurice and Mékinac RCMs in Mauricie (region 04);
- Abitibi-Témiscamingue (region 8);
- Côte-Nord (region 9);
- Nord-du-Québec (region 10);
- Gaspésie-Îles-de-la-Madeleine (region 11).

Paid-up capital determined on a consolidated basis

Paid-up capital, determined on a consolidated basis, is used to determine the corporation's eligibility for the tax holiday. Where the paid-up capital for the year is over \$10 million but under \$15 million, the corporation must determine its tax-holiday amount for that year.

Refundable tax credit for processing activities in resource regions

A temporary refundable tax credit will be introduced for specific activities, other than primary processing activities, carried out in the manufacturing and processing sectors.

The credit will be granted as of the 2001 calendar year, with respect to payroll increases attributable to eligible employees of an eligible corporation operating in a resource region of

Québec in one of the following sectors: the processing of natural resources or of certain products; energy production; aquaculture. The credit is available to eligible corporations for a period of five consecutive calendar years.

The following administrative regions are considered eligible regions:

- Bas-Saint-Laurent (region 01);
- Saguenay-Lac-Saint-Jean (region 02);
- Mauricie (region 04);
- Abitibi-Témiscamingue (region 8);
- Côte-Nord (region 9);
- Nord-du-Québec (region 10);
- Gaspésie-Îles-de-la-Madeleine (region 11).

Improvement to the refundable tax credit for the Vallée de l'aluminium

The notion of a certified business will be broadened to include businesses whose commercial activity is to develop or recycle waste material and residues resulting from aluminum processing.

To standardize the measures respecting processing activities in the different regions, the conditions governing the tax credit for the Vallée de l'aluminium will be harmonized with those governing the refundable tax credit for processing activities in resource regions. Briefly, the "Vallée" credit will be granted for five consecutive calendar years, beginning in the certified business's first year of operations (but not after 2004). The notion of an eligible employee will also be broadened for the purposes of this tax credit. In addition, two changes will be made to broaden the definition of eligible employee for the purposes of this tax credit.

Changes to the refundable tax credit for Gaspésie and certain maritime regions of Québec

The notion of a “certified business” will be broadened to include businesses in the administrative region of Gaspésie-Îles-de-la-Madeleine (region 11) and in the Matane MRC, whose commercial activity is the production of wind power. There will also be changes in the rules for calculating payroll for the calendar reference year. Finally, the amount of the credit may in some cases reduce instalment payments of income tax and tax on capital for a taxation year, other than the first year the business is entitled to the credit.

Replacement of the flow-through share system with a refundable tax credit

A major problem with indirect tax assistance—the downward adjustment by tax authorities of amounts renounced in favour of investors—is avoided with this new mechanism. Thus, an eligible corporation that incurs eligible expenses (that is, exploration expenses incurred in Québec that, under the existing flow-through share system, enable an individual to claim a deduction of at least 125%) during a taxation year, may claim a refundable tax credit of up to 45% of the expenses. The basic rate for the credit is 20%, but this may be increased to 40% for junior companies. For eligible expenses incurred in Québec’s Near North or Far North, the applicable rate will be increased by 5%. For expenses incurred in Québec with respect to renewable energy and energy conservation, a flat rate of 40% will apply. (The Taxation Act will be changed to define “northern exploitation zone” as the territory currently covered by the MNR’s Programme d’exploration minière du Moyen-Nord; the term “Far North” will refer to territory north of the 55th parallel.)

The flow-through system may be used for the rest of 2001, before being completely replaced by the new tax credit. Certain measures have therefore been maintained, such as those concerning the additional deduction for certain issue expenses, and the additional capital gains exemption respecting certain resource property.

Measures concerning the knowledge-based economy

Refundable tax credit for the Cité de la biotechnologie et de la santé humaine du Montréal métropolitain

A new tax credit, designed to offset the apprenticeship period of new employees hired by businesses in the field of biotechnology and human health, will be made available for a period of five years beginning on January 1, 2001. The credit will be determined on the basis of the payroll increase attributable to manufacturing or commercializing employees in this field, in the Parc scientifique et de haute technologie de Laval. The rate of the credit is 40%.

Designation in Laval of a site dedicated to activities in the biotechnology sector

A building will be constructed for activities in the biotechnology sector. It will be designated the “Centre de développement des biotechnologies de Laval,” but will be considered a CDIT for tax purposes.

Changes to the rules concerning contributions respecting tax credits for scientific research and experimental development (R&D)

To adapt the tax legislation to the new science policy, the contributions rule will be changed so that a research entity may be a shareholder of a corporation without the corporation’s losing its entitlement to R&D credits.

Under the amended legislation, a corporation not dealing at arm’s length with an eligible university entity or eligible public research centre to which it entrusts research work relating to an R&D project will not be entitled to the R&D “salaries” tax credit regarding the project, where the corporation has obtained or is entitled to obtain a contribution from a person who is a party to the project, whether in the form of an investment, a loan, an ownership right, or otherwise.

However, where the contribution received from an eligible university entity or an eligible public research centre takes the form of a subscription

of shares of the capital stock of the corporation in question, that corporation may nonetheless claim the “salaries” tax credit for the salaries relating to the R&D project realized by the entity or centre.

In this case, the portion of the amount paid to the corporation, as consideration for the issue of shares of its capital stock, that may reasonably be attributed to the realization of the R&D project, will reduce the eligible expenditures for the purposes of the tax credit.

To be entitled to the credit, the corporation must obtain an advance ruling from the Ministère du Revenu confirming that the R&D project complies with the fiscal policy objectives of R&D tax credits.

Changes to the deadline for filing the form respecting arm’s length subcontracting

The tax legislation will be amended so that the filing deadline for forms concerning subcontracts awarded to a subcontractor with whom the taxpayer is dealing at arm’s length matches the filing deadline for the reporting of expenditures giving rise to an R&D tax credit. Moreover, the subcontracts form will be incorporated into the expenditures form.

Accelerated capital cost allowance temporarily extended to include microwave station equipment

Certain equipment for microwave stations may give rise to the 100% accelerated CCA, in accordance with the same conditions as those stipulated for manufacturing or processing equipment, provided the equipment is used in designated regions. A designated region is any administrative region of Québec except those of Montreal and Laval, but does not include the Communauté urbaine de Québec. Microwave stations themselves will not give rise to such treatment. The equipment may also give entitlement to the supplementary deduction equal to 25% of the accelerated CCA claimed by a taxpayer for a taxation year, as well as, if applicable, an additional deduction of 20%. A separate class will be created for such equipment.

Measures concerning culture

Refundable tax credit for Québec film and television production

To avoid penalizing one category of production in relation to another, the Regulation respecting the recognition of a film as a Québec film will be amended to eliminate the following from the list of ineligible productions: shows and films that present an activity in real time, for live or delayed broadcast, with or without modification during editing, with the exception of galas, awards or parade television productions.

This change will apply to Québec film or television productions for which the main photography or recording work began after December 20, 1995.

Clarification concerning *droits de suite*

For the purposes of the tax credit for Québec film and television production, the tax legislation will be amended to specify that remuneration incurred in a taxation year, including wages or a salary, not be based on the profits or receipts from the use of a Québec film, where such remuneration is calculated on the basis of the projected territory for the distribution or broadcast of the film, is incurred entirely with respect to the production stages of the film (from the screenplay to postproduction), and cannot be reimbursed if the film is not used according to the initial forecasts.

End of the moratorium concerning animation productions

The three-year moratorium respecting animation productions, implemented in 1997 and subsequently extended for one year, will not be extended again.

New prescribed amount of government or non-government assistance

The tax legislation will be amended so that an amount paid by the Fonds de diversification de l'économie de la Capitale constitutes a prescribed amount of assistance for the purposes of the tax credit for Québec film and television production.

Adjustment to the improvement concerning regional film or television productions

For the purpose of the improvement concerning regional film or television productions, the Montréal region will henceforth mean the region included within less than 25 kilometres, by road, from any point on the circle with a radius of 25 kilometres and its centre at Papineau metro station.

Refundable tax credit for film production services

The tax legislation will be amended to provide that a person who was resident in Québec at the end of the calendar year preceding the one in which he or she supplied the services respecting an eligible production may qualify as an eligible employee or an eligible individual for the purposes of calculating eligible labour expenditures. The above-mentioned measure respecting *droits de suite* will also apply here. Since this credit is similar to the tax credit for Québec film and television production, the following three concordance changes will be made to reflect the changes announced on June 29, 2000:

- the notion of "final screenplay" will be replaced by that of "screenplay";
- the amounts received in relation to a labour expenditure will reduce the amount of the expenditure; and
- labour expenses giving rise to an increase for special effects and computer animation will be identified on the certification issued by SODEC.

Refundable tax credit for musical productions

To better reflect the actual situation in show business, the tax legislation will be amended to provide that any remuneration (including wages or a salary) paid to a singer or a musician on the basis of the show's profits or receipts, from the pre-production period to the end of the third year following the first public performance of the show, be considered an eligible labour expenditure if it is directly attributable to the production of the show, during such period.

Refundable tax credit for book publishing

Reduction in the minimum number of pages of a children's book

The certification criteria for a children's book will be changed retroactively to ensure that children's books with at least eight printed pages are eligible for the credit; this does not include comic books, however, which must have at least 16 printed pages.

Book written by a team of writers

To facilitate the administration of the tax credit for book publishing, the notion of "Québec author" will be changed. Specifically, the tax legislation and book certification criteria will be changed to provide that the person or persons who head the writing of a book written by team of contributors, are included as the authors of the book. Accordingly, these persons will be recognized as Québec authors.

In view of the change made to the notion of "Québec author," a change will be made to the criterion relating to the percentage of expenses that must be paid to Quebecers, or to corporations that have an establishment in Québec, when a book is the result of a collaborative effort by a team of writers headed by one or more persons.

Changes in the certification criteria respecting an eligible group of books

Under these changes, a book may not form part of an eligible group of books if its preparation and printing expenses are disproportionate compared to those of the books in the group. The changes will also allow books published jointly, by the same joint publishers, to be included in an eligible group of books, provided the joint publishers are entitled to the tax credit for book publishing.

Adjustment concerning eligible labour expenditures

The tax legislation will be amended so that non-refundable advances exclude any amount paid to acquire rights to existing material.

Change to terms and conditions respecting the application of tax on capital (financial institutions and other corporations)

Investments made by a corporation that is not a financial institution, where the investments are made with a financial institution to which the corporation is not related

For a corporation that is not a financial institution, the investments giving rise to a reduction for investment, with respect to investments made with an unrelated financial institution, will henceforth be limited to shares and long-term liabilities of a financial institution, which must be included in the calculation of the paid-up capital of the financial institution.

Investments made by a corporation that is not a financial institution, where the investments are made with a financial institution to which the corporation is related

Any debt of a loan corporation, a trust corporation or a corporation trading in securities, in favour of a corporation that is not a financial institution and to which it is related, must, in general, be included in the calculation of its paid-up capital. Such a debt does not include a debt that was contracted or assumed by the corporation within the previous six months and that is an account payable.

Recognition of the exercise of professional activities within a corporation or a limited liability partnership

If, further to the proposed amendment of the Professional Code, a professional order decides that its members may exercise their professional activities through a corporation, such members will be able to apply the tax system for corporations. This recognition will also extend to the five-year tax holiday for new corporations.

Such recognition will apply as of the date the legislation authorizing a professional order to allow its members to

exercise their professional activities within a corporation or limited liability partnership is assented to.

Extension and improvement of the refundable tax credit for on-the-job training periods

Extension of the application period

This tax credit will be extended for four years. Accordingly, this measure will apply to qualified training periods that begin before January 1, 2006.

Improvement to the rules applicable to post-secondary students

The maximum number of weeks that may be taken into consideration for the purposes of calculating eligible expenditures will be raised from 20 to 32 weeks. Moreover, the training period will not have to be followed by a period of classroom studies, but rather by a formal evaluation of the training period, prepared by the person responsible for the individual's education program with the recognized educational institution. These changes apply to qualified training periods beginning after March 29, 2001.

Introduction of a new component: Stage Québec

The tax legislation will be amended to introduce a new component in the refundable tax credit for on-the-job training periods. This new component, called Stage Québec, will be geared to individuals enrolled as full-time students in a university graduate program, and applies to qualified training periods beginning after March 29, 2001.

Québec Business Investment Companies

To enable QBICs to fully play their role in raising venture capital, the upper limit on the assets of a qualified corporation will be raised from \$25 million to \$50 million. Moreover, to assist the financing of corporations that run a certified bookstore, the Regulation respecting Québec Business Investment Companies will be amended to ensure that a corporation more than 50% of whose activities consist in the running

of a certified bookstore, at the time of receiving an investment from a QBIC, be considered as operating in an eligible activity sector for the purposes of the QBIC system.

Measures concerning the Cooperative Investment Plan

To further encourage the growth of cooperatives, the limit applicable to the deduction regarding the CIP will be raised from 10% to 30% of an individual's total income. Basically, an individual's total income corresponds to his or her net income.

Measures concerning the financial sector

International financial centres

The following measures will be implemented with respect to IFCs:

- simplification of eligibility criteria for employees (other than foreign specialists) with respect to the partial income tax exemption;
- increase in the percentage (from 33% to 50%) of income eligible for the partial income tax exemption;
- broadening of fiduciary services considered as qualified international financial transactions;
- broadening of qualified international financial transactions relating to letters of credit;
- recognition of documentary collection as a qualified international financial transaction;
- adjustment concerning the income tax exemption and capital tax exemption for a bank corporation operating an IFC; and
- adjustment concerning contributions payable by the operator of an IFC to the Fonds du centre financier de Montréal, in the case of the continuance of a business.

Improvement of certain refundable tax credits

The tax credit for specialized employees of an IFC and the tax credit for the training of portfolio managers will be improved by the following changes:

- an increase (from \$62,500 to \$75,000) in the ceiling on qualified wages;
- an 18-month extension of the application period for the tax credit;
- a change in the eligibility criteria for portfolio managers.

Adjustment of the refundable tax credit for hiring certain financial analysts

The eligibility criteria for qualification certificates issued in respect of junior financial analysts specializing in the securities of Québec corporations will be replaced by new criteria.

INDIVIDUALS

The principal measure concerning individuals is a general income tax reduction of \$3.5 billion to take effect July 1, 2001. The other measures are as follows:

- changes in the calculation of alternative minimum tax;
- full exemption for scholarships;
- simplification of the notion of dependant (for certain tax refundable credits);
- improvement of tax assistance for persons who become parents through medical means or adoption;
- broadened eligibility for the tax credit granted to persons with a severe and prolonged mental or physical impairment;
- improvement of tax assistance granted further to the death of a taxpayer (or his or her spouse);
- standardization of tax treatment for

non-institutional family-type lodging resources;

- improvement of the deduction for copyright income;
- municipal electoral contributions eligible for the tax credit for political contributions;
- taxation system applicable to amounts received under the new Action emploi program;
- formation of Capital régional et coopératif Desjardins;
- technical changes respecting the tax holiday for foreign researchers;
- adjustment respecting tax holidays for foreign specialists, experts and researchers;
- change concerning the disposition of taxable Québec property by a non-resident.

Further details concerning some of these measures will be published in a future issue.

Interpretation Bulletins

Between January and March, 2001, the Ministère du Revenu published 19 interpretation bulletins, of which seven pertain to income tax and 12 to consumption taxes. The code numbers and topics of these bulletins are listed below. Code numbers containing the letter R indicate a revised bulletin. Interpretation bulletins can be obtained from Les Publications du Québec, either individually (prices vary according to the number of pages) or by subscription. For information about subscriptions or availability of bulletins, call (418) 643-5150 or 1 800 463-2100.

Income Tax

LMR.28-1/R49 Interest rates

SPECIAL 143 Various regulations to amend regulations of a fiscal nature

SPECIAL 144 Adjustments to tax policy regarding businesses

IMP.57-5/R9 The value of benefits in respect of a dwelling located in a prescribed area

IMP.519-1/R2 Disposition of property before March 26, 1997, to which section 518 of the Taxation Act applies: Late or amended election

IMP.518-2/R2 Rollover at the time of a disposition of property made before March 26, 1997, to a taxable Canadian corporation: Eligibility criteria and terms and conditions

IMP.518-3 Rollover at the time of a disposition of property made after March 25, 1997, to a taxable Canadian corporation: Eligibility criteria and terms and conditions

Consumption Taxes

LMR.28-1/R49 Interest rates

SPECIAL 116 Various regulations to amend regulations of a fiscal nature

SPECIAL 117 Adjustments to tax policy regarding businesses

TVQ.11.1-1 Presumption of residence in Québec

TVQ.22.7-1 The place of supply by way of sale of corporeal movable property

TVQ.108-1 Health care institution within the meaning of the definition of this expression provided for in paragraph 2 of section 108 of the Act respecting the Québec sales tax and meals acquired or supplied by such an establishment

TVQ.126-1/R2 Fees charged by a university for educational materials

TVQ.126-2/R2 The supply of corporeal movable property together with a supply of

an educational service made by a school authority, public college or university

SPECIAL 118 Application of the tax on lodging in the Québec tourist region and other fiscal measures

TVQ.16-27 Supplies of photocopies by a charity, a public institution or a public service body within the meaning of section 139 of the Act respecting the Québec sales tax

TVQ.162-3/R1 The supply of information issued by a public body

TVQ.678-1/R2 The government of Québec and Québec's consumption taxes

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 January 1, 2000, to June 30, 2001, are listed below.

Period	Annualized interest rate* (%)	Penalty rate (%)
2000		
Jan. 1 – Mar. 31	4.8264	6
Apr. 1 – June 30	4.8264	6
July 1 – Sept. 30	5.9674	6
Oct. 1 – Dec. 31	5.9674	6
2001		
Jan. 1 – Mar. 31	6.0833	6
Apr. 1 – June 30	4.8123	6

* To calculate interest for the purposes of the GST, find the daily rate by dividing the annualized rate by 366.

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

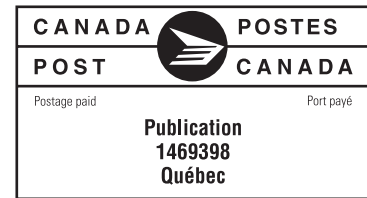
December 1, 1999, with regard to the issue of Québec savings bonds that was most recent on that date.

The following is a list of interest rates respecting refunds payable by and debts owed to the Ministère, for the quarterly periods from January 1, 2000, to June 30, 2001.

2000		Interest rate (%)
Jan. 1 – Mar. 31	Refunds	4.40
	Debts	9
Apr. 1 – June 30	Refunds	4.40
	Debts	10
July 1 – Sept. 30	Refunds	4.75
	Debts	10
Oct. 1 – Dec. 31	Refunds	4.75
	Debts	10
2001		
Jan. 1 – Mar. 31	Refunds	4.85
	Debts	10
Apr. 1 – June 30	Refunds	4.85
	Debts	10

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;
- **15%** in all other cases.



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Marie-Paule Guilbault
(Liaison Officer, CCRA)

Writers

Marie Godbout
Michèle Lafleur

Translators

Jill Goldberg
Michael McKenzie
Sarah McNeill

Graphics

Bernard Barry

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