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# **ESTATES AND TAXATION**

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**BY ACTING AS LIQUIDATOR  
AND FILING A DECEASED  
PERSON'S INCOME TAX  
RETURN, YOU MAKE IT EASIER  
TO SETTLE HIS OR HER  
SUCCESSION. YOU ARE ALSO  
HELPING THE PERSON'S HEIRS  
RECEIVE ANY TAX CREDITS  
OR BENEFITS TO WHICH  
THEY MAY BE ENTITLED.**

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This publication is provided for information purposes only. It does not constitute a legal interpretation of the *Taxation Act* or any other legislation.

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# 1 INTRODUCTION

If you are responsible for settling the estate of a person close to you following his or her death, this document will provide the basic information you need to carry out your obligations as liquidator of the succession.

It is structured as follows:

- Part 2 explains the role of the liquidator.
- Part 3 gives an overview of the income tax returns that must be filed and the filing deadlines.
- Part 4 explains how to get a certificate authorizing the distribution of estate property.
- Part 5 provides a checklist that you can use to keep track of important dates, as well as the information and documents you will need to carry out your role as liquidator.

If you have any questions, contact us as shown at the end of this document.

## **Note on terms used in this document**

While the *Civil Code of Québec* uses the term “succession”, we use the more common term “estate” in this document (except when referring to the “liquidator of the succession”).



# 2 LIQUIDATOR OF THE SUCCESSION

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## 2.1 Designation

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When a person close to you dies and you have been designated liquidator of the succession, you are responsible for liquidating the estate in accordance with the deceased's wishes.

Normally, the liquidator is designated in the deceased's will. If no liquidator is named in the will, or if the person did not leave a will, the heirs may designate a liquidator. If the heirs cannot agree on a liquidator, it is up to the courts to designate one.

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## 2.2 Role

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If you are designated as the liquidator of a succession, you must:

- notify us as quickly as possible of the person's death;
- identify yourself as the liquidator.

You must then:

- file the deceased's income tax return(s);
- pay the deceased's income tax and debts;
- draw up an inventory of estate property and get a certificate from us authorizing the distribution of the property.



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## 2.3 Deceased's representative

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As liquidator, you represent the deceased when dealing with us to settle the estate. You must therefore notify us of the person's death and identify yourself as the liquidator of the succession. To do so, complete form LM-14-V, *Information About a Representative*, which is available on our website, and send us a copy of the following documents:

- proof of the person's death (act of death, certificate of death, or the cremation or burial record);
- the will search certificates from the Chambre des notaires du Québec and the Barreau du Québec;
- proof of the person's final testamentary provisions:
  - a notarial will,
  - a holograph will or a will made in the presence of witnesses, along with a copy of the judgment probating the will or of the minutes of the probate,
  - a notarial codicil (a document that changes certain points of an existing will), a holograph codicil or a codicil made in the presence of witnesses, along with a copy of the judgment probating the will or of the minutes of the probate, or
  - a marriage or civil union contract.

The documents must be clear, legible and of good quality.

If the person you represent has made no testamentary provisions or if no liquidator has been designated, you must enclose form LM-14.1-V, *Designation of a Liquidator by the Heirs*, in addition to the proof of death and will search certificates or any document designating you as the liquidator.

Will search certificates from the Chambre des notaires du Québec and the Barreau du Québec are used to demonstrate that the will and codicil are the final testamentary provisions registered or to show that there is no registered will or codicil.

If the person who designated you as the liquidator left a will that was probated or the minutes of the probate, you do not have to provide us with the will search certificates from the Chambre des notaires du Québec and the Barreau du Québec.

Sometimes a number of liquidators are designated in a will, in which case they are required to act jointly. However, the liquidators may be unable or unwilling to do so. In this case, they must designate a single liquidator to represent the deceased.

The deceased's will may also designate one **or** more people, any of whom can serve as liquidator. In this case, the liquidator(s) are not required to act jointly and do not have to designate a single liquidator to represent the deceased.

### **Examples**

Mary **and** John are designated in a will as liquidators of the succession and must act jointly. Together, they decide that Mary will represent the deceased.

They must therefore complete and file form MR-69-V, *Power of Attorney, Authorization to Communicate Information, or Revocation* (available on our website), along with form LM-14-V and the required documents (if they have not already been filed).

A will designates Paul **or** Louis as liquidator of a succession. In this case, Paul and Louis are not required to act jointly. If Paul is the deceased's representative, he can receive information from us without Louis' authorization.



As liquidator, you may authorize us to disclose confidential information concerning the tax file of the deceased to someone who can act on your behalf (for example, an accountant or a member of the deceased's family). To do so, complete form MR-69-V and file it with form LM-14-V and the required documents (if you have not already filed them).

If we do not receive form MR-69-V, we will send information to the liquidator designated as the principal representative in form LM-14-V.

If you are the liquidator but designate someone to act on your behalf, you are not released from your obligations.

You must ensure that the person acting on your behalf carries out his or her role appropriately.

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## 2.4 Roles of the liquidator and Revenu Québec

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The information below summarizes your and our responsibilities before property is distributed.

### **The liquidator**

- files the required income tax return(s) of the deceased by the prescribed deadlines (see pages 12 to 15);
- sends us form MR-14.A-V, *Notice Before Distribution of the Property of a Succession*, along with the required documents (if they have not already been filed);
- may have to pay funeral and related expenses, as well as other urgent or essential expenses (up to a maximum of \$12,000), before a certificate authorizing the distribution of property can be granted.

## **Revenu Québec**

- processes the income tax return(s);
- issues the notice(s) of assessment;
- informs the liquidator in writing of any amounts that were owed at the time of the person's death or that could become payable in the 12 months following the person's death;
- issues the certificate authorizing the distribution of the property.

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## **2.5 Accepting or renouncing the estate**

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The persons who are entitled to inherit may accept or renounce the estate. They generally have six months to decide, but this period can be extended in certain situations. Heirs who renounce the estate must do so by notarial act or by a judicial declaration before a court. If we receive all the documents proving that the heirs have not claimed the estate, we will act as the liquidator.

For more information, see *Unclaimed Successions* (IN-328-V).

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## **2.6 Mailing address of the estate**

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We generally use the liquidator's address in all correspondence concerning an estate. Notify us of the address you wish to use for the purposes of the estate. This address must be shown on all of the income tax returns you file and on all documents you send us.



# 3 INCOME TAX RETURNS

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## 3.1 Income tax return for the year of death

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As liquidator, you are responsible for filing the deceased's income tax return(s). You must therefore file the return for the year of death (which begins on January 1 and ends on the date of death).

You are required to report all income earned by the person up to the time of death, regardless of whether the income was received during the person's lifetime. The income tax return in which this income is reported is called the "principal income tax return."

In addition to filing the principal income tax return, you may choose to file up to three other returns, called "separate income tax returns." Each separate income tax return is intended for a particular category of income.

For more information, refer to the *Guide to Filing the Income Tax Return of a Deceased Person* (IN-117-V).

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## 3.2 Filing due date – principal income tax return

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If the person died **during the first 10 months of the year**, you must file the income tax return for the year of death by April 30 of the year following the year of death.

### **Example**

Eric died on July 15, 2017. His income tax return for the 2017 taxation year must be filed by April 30, 2018.

If the person died in November or December, you must file the income tax return for the year of death no later than six months after the date of death.

### **Example**

Louise died on November 3, 2017. Her income tax return for the 2017 taxation year must be filed by May 3, 2018.

Income tax must be paid by the filing due date for the income tax return.

If the person or the person's spouse carried on a business in the year of death, the filing due date for the principal income tax return may be different. See guide IN-117-V.

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## **3.3 Returns for the years preceding the year of death**

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As liquidator, you are responsible for filing any income tax returns the deceased did not file for taxation years preceding the year of death.

If you do not know whether the person filed income tax returns for the years preceding the year of death, contact us to find out. You must provide proof that you are the liquidator of the succession (such as a copy of the will), if you have not already sent us such proof.

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## **3.4 Filing due date – return for the year preceding the year of death**

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If the person died **before May 1**, you must file the income tax return for the year preceding the year of death no later than six months after the date of death. Income tax must be paid by the same date.



### **Example**

Pierre died on February 20, 2018. His income tax return for the 2017 taxation year must be filed by August 20, 2018.

If the person died **after April 30**, no extension of the regular filing due date (April 30) is granted.

If the person or the person's spouse carried on a business in the year preceding the year of death, the filing due date may be different. See guide IN-117-V.

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## **3.5 Income tax return of the estate (trust income tax return)**

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As liquidator, you are responsible for filing the estate's income tax return to report any income it earned. Use the *Trust Income Tax Return* (form TP-646-V).

However, you are not required to file the trust return in the following situations:

- The death benefit paid by Retraite Québec is the only income that would be reported (in this case, the heirs must include it in their income).
- The estate did not earn any income before the distribution of the property to the heirs.

For more information, see the *Guide to Filing the Trust Income Tax Return* (TP-646.G-V).



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## 3.6 Filing due date – trust income tax return

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The trust income tax return must be filed no later than 90 days after the end of the estate's taxation year. The first taxation year of the estate begins on the day after the date of death and ends within the following 12 months, on a date of your choosing. However, the estate's taxation year must be the same as that used for federal purposes. The final taxation year ends on the date on which the distribution of property ends. The end date of the taxation year cannot be changed without the consent of the Canada Revenue Agency.

### **Example**

Richard died on March 2, 2017. The first taxation year of the estate begins on March 3, 2017, and ends on December 31, 2017. The liquidator must file the trust return for the 2017 taxation year by March 31, 2018.

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## 3.7 Testamentary trust

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A testamentary trust is a trust or estate that is created upon a person's death and by reason of the death. The terms of the trust are determined by will, by law (if there is no will) or by court order.

As the liquidator of the succession, or as the trustee of a testamentary trust, you may have to administer property, income, earnings or benefits until the estate is settled or for a period determined under the terms of the will (for example, until the beneficiary reaches the age of 18 or until the death of the surviving spouse).



## 4 CERTIFICATE AUTHORIZING THE DISTRIBUTION OF ESTATE PROPERTY

As liquidator, you must draw up an inventory of estate property. Once you have determined the value of the property and the amount of estate debts, you must notify us of your intention to distribute the property and obtain a certificate authorizing the distribution. To do so, complete and sign form MR-14.A-V, *Notice Before Distribution of the Property of an Estate* (available on our website).

Enclose a copy of the following documents (if you have not already filed them):

- proof of the person's death (act of death, certificate of death, or the cremation or burial record);
- the will search certificates from the Chambre des notaires du Québec and the Barreau du Québec;
- proof of the person's final testamentary provisions:
  - a notarial will,
  - a holograph will or a will made in the presence of witnesses, along with a copy of the judgment probating the will or of the minutes of the probate,
  - a notarial codicil, a holograph codicil or a codicil made in the presence of witnesses, along with a copy of the judgment probating the will or of the minutes of the probate, or
  - a marriage or civil union contract.

In order for you to distribute the property of the estate, **all** of the deceased's income tax returns must have been filed, **all** notices of assessment must have been issued and **all** tax balances must have been paid.



Before issuing a certificate authorizing you to distribute the property, we will inform you in writing of the amount of any duties, interest, penalties and other charges that were owed under a fiscal law at the time of the person's death or that could become payable within 12 months after the person's death. In some cases, we may issue a certificate authorizing the distribution of part of the property.

If, as liquidator, you distribute the property of an estate without first obtaining from us a certificate authorizing the distribution, you will be personally liable for the amounts payable to us, up to the value of the property distributed. As a rule, the liability remains in effect for a period of four years from the date of the distribution. However, if you obtained from us a certificate authorizing the distribution of property, the heirs are liable for the amounts payable to us.

You can pay funeral and related expenses, as well as other urgent or essential expenses (up to a maximum of \$12,000) before filing form MR-14.A-V, *Notice Before Distribution of the Property of an Estate*. However, you must file form MR-14.A-V even if the total value of the estate is under \$12,000.



## 5 CHECKLIST

### Confirmation of the liquidator's identity

- Form LM-14-V, *Information About a Representative*, sent to Revenu Québec on

\_\_\_\_\_,  
along with a copy of the documents below.

- Proof of death
- Will search certificates from the  
Chambre des notaires du Québec and  
the Barreau du Québec
- Notarial will and any related codicil

**or**

- Holograph will or a will made  
in the presence of witnesses,  
along with a copy of the judgment  
probating the will or of the minutes of  
the probate

**or**

- Marriage or civil union contract
- Form LM-14.1, *Designation  
of a Liquidator by the Heirs*, **or** any  
other document designating you as  
the liquidator of the succession



## **Authorization form allowing Revenu Québec to disclose confidential information to the person designated by the liquidator to act on his or her behalf**

Form MR-69-V, *Power of Attorney, Authorization to Communicate Information, or Revocation*, sent to Revenu Québec on

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### **Supporting documents (may be needed to complete forms)**

- Bank books of the deceased
- Contents of the safety deposit box
- Insurance policies
- Marriage contract
- Evaluation of portfolio value at the time of death

### **Other documents, if applicable:**

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_



## **Income tax return for the year of death**

Filing deadline

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## **Income tax returns not filed for previous years**

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## **Income tax return of the estate**

Filing deadline for the *Trust Income Tax Return*  
(form TP-646-V)

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## **Certificate authorizing the distribution of the property of the estate**

Form MR-14.A-V, *Notice Before Distribution of the Property of an Estate*

Sent to Revenu Québec on

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Certificate received on

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Notice from Revenu Québec stating amount due (if applicable)

Notice received on

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Payment made on

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Payment arrangement made on

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# TO CONTACT US

## Online

revenuquebec.ca



## By telephone

### Individuals and individuals in business

Monday to Friday: 8:30 a.m. to 4:30 p.m.

Québec City 418 659-6299	Montréal 514 864-6299	Elsewhere 1 800 267-6299 (toll-free)
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### Businesses, employers and agents for consumption taxes

Monday, Tuesday, Thursday and Friday: 8:30 a.m. to 4:30 p.m.

Wednesday: 10:00 a.m. to 4:30 p.m.

Québec City 418 659-4692	Montréal 514 873-4692	Elsewhere 1 800 567-4692 (toll-free)
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### Complaints – Bureau de la protection des droits de la clientèle

Monday to Friday: 8:30 a.m. to noon and 1:00 p.m. to 4:30 p.m.

Québec City 418 652-6159	Elsewhere 1 800 827-6159 (toll-free)
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### Individuals with a hearing impairment

Montréal 514 873-4455	Elsewhere 1 800 361-3795 (toll-free)
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## By mail

### Individuals and individuals in business

#### Montréal, Laval, Laurentides, Lanaudière and Montérégie

Direction principale  
des relations avec  
la clientèle des particuliers  
Revenu Québec  
C. P. 3000, succursale Place-Desjardins  
Montréal (Québec) H5B 1A4

#### Québec City and other regions

Direction principale  
des relations avec  
la clientèle des particuliers  
Revenu Québec  
3800, rue de Marly  
Québec (Québec) G1X 4A5

### Businesses, employers and agents for consumption taxes

#### Montréal, Laval, Laurentides, Lanaudière, Montérégie, Estrie and Outaouais

Direction principale des relations  
avec la clientèle des entreprises  
Revenu Québec  
C. P. 3000, succursale Place-Desjardins  
Montréal (Québec) H5B 1A4

#### Québec City and other regions

Direction principale  
des relations avec  
la clientèle des entreprises  
Revenu Québec  
3800, rue de Marly  
Québec (Québec) G1X 4A5

### Complaints – Bureau de la protection des droits de la clientèle

Revenu Québec  
3800, rue de Marly, secteur 3-4-5  
Québec (Québec) G1X 4A5

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