

GUIDE

Income Tax Return

2005

This booklet contains only the explanations necessary for completing your income tax return.



Pay close attention to the introductory pages.



For information on filing your return online, see page 10.



Direct deposit: Safe, simple and practical!
See page 63.



Contents

	Page
Principal changes for 2005	3
General information	
Are you required to file an income tax return?	4
What steps should you follow in completing your return?	4
When must your return be filed?	5
What are your rights and obligations as a taxpayer?	5
Additional information	6
Bankruptcy	7
Proposal in bankruptcy or consumer proposal	8
Forms to be enclosed with your income tax return	8
Brochures, folders and guides	8
Principal abbreviations used	8
Services available through the Internet	9
The Volunteer Program	9
Filing your income tax return	
By mail	10
Over the Internet	10
Information about you and your spouse	11
Total income	14
Net income	25
Taxable income	33
Non-refundable tax credits	38
Income tax and contributions	47
Refund or balance due	54
Refund	63
Balance due	64
Principal subjects covered in the guide	66

Principal changes for 2005

New tax measures

Elimination of the simplified tax system

The simplified tax system was introduced in 1998 to benefit individuals who could claim few deductions and tax credits. Under this tax system, a flat amount replaced a number of deductions and credits. Over the years, however, the number of deductions and credits replaced by the flat amount was considerably reduced. As a result, the simplified tax system was less and less different from the general tax system. The simplified tax system has therefore been eliminated.

To maintain the benefits represented by the flat amount, a complementary amount that is at least equal to the flat amount is now granted for the purposes of calculating non-refundable tax credits.

Reform of government assistance for families

The Québec government has restructured the government assistance offered to families to ensure greater coherence between income support measures, work incentive measures and measures designed to meet children's recognized essential needs. On January 1, 2005, **family benefits, non-refundable tax credits respecting dependent children under 18** and the **tax reduction for families** were replaced with a child assistance payment from the Régie des rentes du Québec and the tax credit respecting the work premium.

Full indexation of the taxation system

Full indexation of the taxation system is maintained. The following amounts and tax credits have therefore been increased:

- the QST credit;
- the basic personal amount (line 350);
- the income threshold above which certain tax credits are reduced;
- the amount for a person living alone (line 20 of Schedule B);
- the basic exemption in the calculation of the contribution to the health services fund (Schedule F).

Increase in the maximum premium payable under the Québec prescription drug insurance plan

The rates used to calculate the premium payable under the Québec prescription drug insurance plan changed on July 1, 2005 (Part C of Schedule K). In addition, the maximum premium was raised from \$494 to \$521. However, the maximum premium for 2005 (for the entire year) is \$507.50 (line 447).

Tax adjustment for income replacement indemnities

You must adjust your non-refundable tax credits if you received financial compensation for the loss of financial support or any of the following income replacement indemnities:

- workers' compensation;
- indemnities further to a precautionary cessation of work;
- indemnities further to a traffic accident;
- indemnities further to an act of good citizenship or because you were the victim of a crime.

For further information, see the instructions for line 358.

Home-support services for seniors

The legal representative of a deceased person may request that Revenu Québec determine or revise the tax credit respecting home-support services for seniors to which a deceased person was entitled for the year of death. In addition to other eligible expenses, Revenu Québec may take into account any expense that the person's legal representative pays for by a means other than the service employment paycheque (SEP), provided the expense is related to eligible services provided before the person's death. The following conditions must also be met:

- The person was registered, immediately before his or her death, with the SEP processing centre (Centre de traitement Chèque emploi service).
- The expense was billed after the person's death or during the 30-day period ending on the date of death.

This amendment applies where the death occurred before September 1, 2005.

Eligible medical expenses

The following changes apply where the expenses were incurred after April 21, 2005:

- Expenses for medical or dental services provided for purely cosmetic purposes will no longer be considered eligible expenses.
- Expenses for eyeglass frames will be limited to \$200 per person.
- Expenses for hyperbaric oxygen therapy provided to an individual with a severe and prolonged neurological disorder are eligible medical expenses, where a competent person attests that the individual has a severe and prolonged impairment in mental or physical functions.

For further information, consult the brochure *Medical Expenses* (IN-130-V).

Improvement to the refundable tax credit for medical expenses

To increase the tax assistance provided by the refundable tax credit for medical expenses and make the credit available to more workers, the maximum credit has been raised from \$543 to \$750.

New schedules

Schedule O: Déclaration de renseignements pour le Registre des entreprises du Québec

If you are registered with the Québec enterprise register, pursuant to the *Act respecting the legal publicity of sole proprietorships, partnerships and legal persons*, you must update the information yearly. To do so, complete Schedule O (see the instructions for line 438). Please note that a courtesy translation of Schedule O is available on our Web site.

Schedule P: Tax Credit Respecting the Work Premium

If you are a low-income worker, you may be entitled to the new tax credit respecting the work premium. Complete Schedule P to claim the credit. See the instructions for line 456.

General information

Before starting to fill out your income tax return, please read this part of the guide—it contains general information and tips to help you complete your return correctly.

Are you required to file an income tax return?

You must file a return for 2005 if any of the following situations applies to you:

- On December 31, 2005, you were resident in Québec, and you are required to pay
 - income tax;
 - Québec Pension Plan (QPP) contributions; or
 - a contribution to the health services fund.
- On December 31, 2005, you were resident in Québec, and
 - you disposed of capital property (shares, bonds, debts, land, buildings, etc.);
 - you are reporting a capital gain with regard to a 2004 reserve; or
 - you worked in the restaurant and hotel sector and you received tips (the amount of tips may be shown in box S or T of the RL-1 slip).
- You are the beneficiary of a designated trust (see the instructions for line 22).
- You are required to pay a premium under the Québec prescription drug insurance plan (see the instructions given in Schedule K).
- You were resident in Canada, outside Québec, but you carried on a business or practised a profession in Québec, and
 - you are required to pay Québec income tax;
 - you disposed of capital property; or
 - you are reporting a capital gain with regard to a 2004 reserve.
- You are required to pay an annual registration fee for the Québec enterprise register;
- You or your spouse wishes to receive the child assistance payment from the Régie des rentes du Québec. Please note that both you and your spouse must file an income tax return in this case.
- You or your spouse wishes to receive the shelter allowance provided for under the shelter allowance program, for the period from October 1, 2006, to September 30, 2007. Please note that both you and your spouse must file an income tax return in this case.
- You have no income tax payable for 2005 because you are deducting a loss sustained in a previous year.
- You have no income tax payable for 2005 because your spouse on December 31, 2005, is transferring to you the unused portion of his or her non-refundable tax credits.
- You ceased to reside in Canada in 2005, and were resident in Québec on the day you ceased to reside in Canada (regardless of where you were living on December 31, 2005).
- You received advance payments of the tax credit respecting the work premium in 2005.
- You received advance payments of the tax credit respecting home-support services for seniors in 2005.
- You received advance payments of the tax credit for child-care expenses in 2005.
- You wish to transfer to your spouse the unused portion of your non-refundable tax credits so that your spouse can reduce his or her income tax (lines 430 and 431).
- You wish to claim any of the following:
 - the QST credit (line 90);
 - the credit for individuals living in northern villages (see page 13);
 - the tax credit for child-care expenses (line 455);
 - the tax credit respecting the work premium (line 456);
 - the QST rebate for employees and partners (line 459);
 - the property tax refund (line 460);
 - the other credits or the refund mentioned in the instructions for line 462.

What steps should you follow in completing your return?

- Read the principal changes for the 2005 taxation year, on page 3 of this guide.
- Collect all of the necessary documents (RL slips or other information slips, supporting documents, etc.). Please note that persons who are required to prepare RL slips generally have until the last day of February 2006 to mail or remit them to you.
- Complete your return, referring to the corresponding line numbers in this guide.
- Read the definitions provided in the boxes. They will help you understand the text.
- Use blue or black ink.
- **Refer to the back of your RL slips** to find out on which line of the return you should enter the amounts shown on the slips.
- Consult the list of the principal subjects covered in the guide (page 66); it refers you to the lines in the guide where you can find the information you need.
- **Contact Revenu Québec** if you need more information on a particular subject. You will find a list of our offices at the end of the guide.
- Remember to sign and date your return and to include your telephone numbers. **Be sure to include a copy of any required schedules.**
- Make sure that you have enclosed all of the required documents (RL slips or other information slips, schedules, forms and supporting documents). If you fail to do so, a deduction or tax credit may be refused or the processing of your return may be delayed. Please note that **certain** RL slips or receipts no longer have to be enclosed with your return. However, you must keep them in case Revenu Québec asks for them. Consult the instructions for the line referred to on the RL slip.
- Use the return envelope provided in the “Forms” booklet. Make sure you use enough postage so that the envelope is not returned to you by the Canada Post Corporation. Write your name and address in the upper left-hand corner of the envelope.

Direct deposit

To request or cancel direct deposit or make changes to your account information, see the instructions for line 478.

When must your return be filed?

Your income tax return for 2005 must be submitted to Revenu Québec by April 30, 2006. If you or your spouse is reporting business income, you have until June 15, 2006, to file your 2005 income tax return (see "Filing date" in the instructions for line 164).

Penalty and interest

If you file your return late, you are liable to a 5% penalty on the balance not paid by April 30, 2006, or, if business income is being reported, on the balance not paid by June 15, 2006. You are liable to an additional 1% penalty for every complete month your return is late (maximum of 12 months).

If you are entitled to an income tax refund (line 478) for the 2005 taxation year, the interest owed to you by Revenu Québec will be calculated as of the later of the following dates:

- June 15, 2006;
- the 46th day after the day on which you file your return.

If you have a balance due for 2005 (line 479 of your return), Revenu Québec will charge you interest as of May 1, 2006, on any amount owing on that date.

If your balance due is reduced because your spouse on December 31, 2005, is entitled to an income tax refund and transfers all or a portion of the refund to you (line 476 of his or her return), Revenu Québec will not charge interest on the amount transferred by your spouse (line 477 of your return), provided your spouse's return is filed before May 1, 2006.

What are your rights and obligations as a taxpayer?

You are required to provide all pertinent information about your income, deductions and credits so that you can calculate and remit the income tax you owe. By doing so, you are contributing your fair share and are helping to finance public services, particularly in the areas of education, health care and social services. If you fail to provide the necessary information, or provide inaccurate or incomplete information, you are liable to penalties; penal proceedings may also be instituted against you.

If you fail to report income, and have already failed to report income of the same type in any of the three previous years, you are liable to a penalty of 10% of the unreported income. If you have already filed your income tax return, you may avoid this penalty by having your return amended. To do so, file form TP-1.R-V, *Request for an Adjustment to an Income Tax Return*.

Pursuant to the *Act respecting Access to documents held by public bodies and the Protection of personal information* and the *Act respecting the Ministère du Revenu*, and subject to the restrictions provided for in these laws, you are entitled to obtain any information on file concerning yourself and to consult any document containing such information. You may also request that corrections be made to such information.

Voluntary disclosure

If you were required to file an income tax return, but did not file one (or filed an incomplete return), you may correct the situation by making a voluntary disclosure of the information not previously submitted. You will then have to pay the income tax owing and the interest, but no penalty will be charged.

To find out how to make a voluntary disclosure and the requirements that must be met, obtain the folder *Voluntary Disclosure* (IN-309-V).

Protection of confidential information

All information obtained by Revenu Québec from an income tax return or otherwise remains confidential. In the course of administering fiscal laws, Revenu Québec may compare, match or link information files, in order to ensure that you have complied with your obligations under the *Act respecting the Ministère du Revenu*.

Revenu Québec may use the information to administer and enforce the fiscal laws for which it is responsible (see the list of these laws on page 6).

Revenu Québec may also use the information in order to carry out studies or research, produce statistics or conduct surveys, as well as for administration purposes.

In addition, Revenu Québec may use the information for the purposes of administering and implementing the socio-fiscal programs for which it is responsible. The information may thus be used in managing the shelter allowance program for older persons and families, as well as in administering and enforcing the *Act to facilitate the payment of support*.

Revenu Québec employees assigned to the application of fiscal laws or the administration of socio-fiscal programs have access to the information obtained from income tax returns only if they require the information to carry out their duties.

Within the limits set by the *Act respecting the Ministère du Revenu*, Revenu Québec may also communicate information contained in a tax file to government departments, agencies or persons, for specific purposes provided for in the Act. The information may be communicated without the consent of the person concerned.

The communication of such information to the government departments, agencies and persons referred to in the Act is permitted where the information is required to administer laws or joint programs for which these departments, agencies or persons are responsible. For example, Revenu Québec sends the Régie des rentes du Québec a statement of your contributions to the Québec Pension Plan so that the Régie can calculate your retirement pension. As well, Revenu Québec discloses to the Régie de l'assurance maladie du Québec the information the latter needs to determine whether you are eligible for the Québec prescription drug insurance plan.

List of government departments, agencies or persons concerned

Commissaire au lobbyisme du Québec

Commission d'accès à l'information

Commission des normes du travail

Commission des transports du Québec

Contrôleur des finances

Government bodies subject to governmental compensation

Government departments or agencies responsible for rendering a decision or for issuing or revoking an attestation, a certificate, a validation certificate or another similar document for the purposes of a fiscal law

Governments, government departments and Canadian or international organizations (including the Canada Revenue Agency), for the purposes of administering a tax agreement, applying a tax law, eliminating double taxation or giving effect to international fiscal agreements

Institut de la statistique du Québec

Ministère de l'Éducation, du Loisir et du Sport

Ministère de l'Emploi et de la Solidarité sociale

Ministère des Affaires municipales et des Régions

Ministère des Finances

Ministère des Relations internationales

Ministère des Ressources naturelles et de la Faune

Mohawk communities, for the purposes of administering agreements between the Gouvernement du Québec and a community's band council

Protecteur du citoyen

Régie de l'assurance maladie du Québec

Régie de l'énergie

Régie des rentes du Québec

Registraire des entreprises du Québec

Société de l'assurance automobile du Québec

Vérificateur général du Québec

The information is generally communicated to the government departments, agencies and persons referred to in the Act within the scope of written

agreements approved by the Commission d'accès à l'information. The Commission analyzes, in particular, the nature of the information communicated and the purposes for which it is communicated, the methods of communication used, the means used and the security measures taken to preserve the confidentiality of the information communicated, the intervals at which information is communicated, the means chosen to inform the persons concerned and the duration of the agreement.

Transmission of confidential information

If you want Revenu Québec to transmit information concerning your income tax return to a designated third party, complete and sign form MR-69-V, *Power of Attorney, Authorization to Communicate Information, or Revocation*. This form may also be used to cancel a power of attorney or authorization previously granted.

Laws administered by Revenu Québec

Laws administered in their entirety by Revenu Québec

Tobacco Tax Act

Taxation Act

Act respecting the application of the Taxation Act

Licenses Act

Act respecting the Ministère du Revenu

Act respecting property tax refund

Act respecting the Québec sales tax

Fuel Tax Act

Laws administered in part by Revenu Québec

Act respecting municipal taxation (certain municipal property tax refunds or payments)

Act respecting labour standards (employer contributions)

Act respecting the Régie de l'assurance maladie du Québec (contributions payable by employers or individuals to the health services fund and premiums payable by individuals to the prescription drug insurance fund)

Act respecting the Québec Pension Plan (contributions payable by employers, employees or self-employed persons)

Act to foster the development of manpower training (contributions payable by employers to the Fonds national de formation de la main-d'œuvre)

Act respecting the Société d'habitation du Québec (shelter allowance program for older persons and families)

Act respecting the legal publicity of sole proprietorships, partnerships and legal persons (payment of registration fees and the annual updating of information in the Québec enterprise register)

Additional information

Request for a refund for a previous year

If, for 1996 through 2004, you did not claim all the deductions and credits to which you were entitled, it is possible to obtain the deductions and credits by completing form TP-1.R-V, *Request for an Adjustment to an Income Tax Return*.

Changes to an income tax return already filed

If you wish to make changes to your income tax return, do not file a new return. Complete instead form TP-1.R-V, *Request for an Adjustment to an Income Tax Return*.

Period during which Revenu Québec may review an income tax return

When we receive your income tax return, we carry out a cursory review and send you a notice of assessment.

Revenu Québec generally has three years from the date of the notice of assessment in which to carry out a more in-depth review and, if necessary, issue

a notice of reassessment (interest will be calculated on any balance owing at that time). You must keep all your supporting documents in case such a review is carried out.

Instalment payments

Instalment payments are remittances made by an individual on a quarterly basis to cover income tax for the current year, contributions to the Québec Pension Plan (QPP) and the health services fund, and the premium payable under the Québec prescription drug insurance plan.

Most individuals pay their income tax throughout the year through source deductions. However, if you have income from which tax is not deducted at source, you may be required to pay income tax in instalments.

For the 2006 taxation year, you must make instalment payments if you estimate that your net income tax payable for the year will be over \$1,200 and if, for **either** 2005 or 2004, your net income tax payable was over \$1,200.

Your net income tax payable is your income tax payable for the year minus the total, for the same year, of the income tax withheld at source and the refundable tax credits. Do not take into account the property tax refund, the QST rebate for employees and partners, the property tax refund for forest producers and the tax credit respecting home-support services for seniors.

Instalment payments, if required, must be made four times a year, by March 15, June 15, September 15 and December 15. In February and August, Revenu Québec will send you the form *Instalment Payments Made by an Individual* (TPZ-1026.A-V), which indicates the amount of your instalments. The amount of your first two instalments for 2006 is based on your 2004 income tax return, and the amount of your last two instalments for 2006 is based on your 2005 income tax return.

You may also calculate your instalment payments yourself, by completing form TP-1026-V, *Calculation of Instalment Payments to Be Made by Individuals*.

Interest, capitalized daily, is charged on any instalment (or portion of an instalment) that is not paid by the due date. For further information, obtain the folder *Instalment Payments of Income Tax* (IN-105-V).

Registers and books of account

If you carry on a business, you are required to keep registers and books of account. These records may be kept on paper or in electronic form. They must contain the information that Revenu Québec needs to verify your business income and expenses, in order to calculate the amounts payable under the tax laws. You must keep this information and all supporting documents for at least six years after the taxation year to which they pertain. If you file your income tax return late, you must keep the information and supporting documents for six years after the date on which you file the return.

Certificate Respecting an Impairment

If you are claiming a deduction or tax credit for which the *Certificate Respecting an Impairment* (form TP-752.0.14-V) is required, you must provide a certificate in the following cases:

- You have never submitted the certificate.

- Your health or the health of the person concerned has improved since the last time a certificate was submitted.
- Revenu Québec asks you to submit a new certificate.

To determine whether the person for whom a certificate has been filed has a severe and prolonged impairment in mental or physical functions, Revenu Québec may ask you to provide the pertinent information contained in this person's medical records. Revenu Québec may also request the opinion of another organization.

Non-residents

If you were living outside Canada in 2005, but earned income from sources in Québec, you may have to file an income tax return. For further information, contact Revenu Québec.

Recourse for tax-related problems

If you are dissatisfied with the handling of your return or you wish to report a problem to the Revenu Québec authorities, **you must contact the Revenu Québec office in your area** (see the list of offices at the end of the guide). If, after

this first step, the problem is not resolved to your satisfaction, you may contact Revenu Québec as follows:

Direction du traitement des plaintes
Revenu Québec
3800, rue de Marly
Sainte-Foy (Québec) G1X 4A5
Telephone: 418 652-6159 or
1 800 827-6159
Fax: 418 652-4036
Internet: www.revenu.gouv.qc.ca

For further information, consult the folder *Recourse for Your Tax-Related Problems* (IN-106-V).

Do you have any suggestions?

We review our publications each year. Please send any comments or suggestions that could help us improve our publications to the address below:

Service des formulaires
Revenu Québec
3800, rue de Marly, secteur 2-3-3
Sainte-Foy (Québec) G1X 4A5

You may also use the following Internet address:
www.revenu.gouv.qc.ca

Bankruptcy

If you went bankrupt in 2005, you (or your trustee) must file two returns: the first for the period from January 1, 2005, to the day preceding the date of bankruptcy, and the second for the period from the date of bankruptcy to the end of 2005. Remember to indicate, on line 21 of the return, the date of bankruptcy and the period covered by the return.

Non-refundable tax credits

In each of the two returns you are required to file, you must, as a rule, reduce certain amounts used to calculate your non-refundable tax credits in proportion to the number of days in the period covered by the return.

Special cases

The following amounts may be claimed only in the income tax return you are filing for the post-bankruptcy period:

- the amount with respect to age, for a person living alone or for retirement income (line 361);
- the amount of the contribution to the health services fund (line 354);
- the amount for medical expenses (line 381).

To calculate the amount to which you are entitled, you must take into account your income for the entire year.

In the income tax return you are filing for the post-bankruptcy period, you cannot claim amounts paid before the date of your bankruptcy as tuition or examination fees (line 384), as interest on a student loan (line 385), or as donations and gifts (line 389). Nor can you claim these amounts in subsequent years. An amount of alternative minimum tax paid for a year before your bankruptcy can be carried over only to your return for the pre-bankruptcy period (line 13 of Schedule E); it cannot be claimed in the post-bankruptcy return or in a return for a subsequent year.

Credits or refunds

The following credits or refunds can be claimed only in the return for the post-bankruptcy period:

- the QST credit (line 90);
- the credit for individuals living in northern villages (see page 13);
- the tax credit respecting the acquisition of Capital régional et coopératif Desjardins shares (line 422);
- credits transferred from one spouse to the other (line 431);

- the tax credit for child-care expenses (line 455);
- the tax credit respecting the work premium (line 456);
- the property tax refund (line 460);
- the refundable tax credit for medical expenses (line 462);
- the tax credit respecting the housing of a parent (line 462);
- the tax credit for taxi drivers and taxi owners (line 462);
- the tax credit for adoption expenses (line 462);
- the tax credit respecting the treatment of infertility (line 462);
- the tax credit respecting home-support services for seniors (line 462);
- the tax credit for a top-level athlete (line 462);
- the property tax refund for forest producers (line 462).

If you are required to take your family income into account in calculating any of these credits or refunds, be sure to include your income for the entire year.

Advance payments of credits or contributions payable

In the income tax return you are filing for the post-bankruptcy period, you must enter

- advance payments of the tax credit respecting home-support services for seniors (line 442);

- advance payments of the tax credit respecting the work premium and the tax credit for child-care expenses (line 441);
- the contribution to the health services fund (line 446);

- the premium payable under the Québec prescription drug insurance plan (line 447). On line 36 of Schedule K, you must include your income for the entire year.

For further information, contact Revenu Québec.

Proposal in bankruptcy or consumer proposal

If you filed a proposal in bankruptcy or a consumer proposal, you are not considered to have gone bankrupt. Therefore, you may file a single income tax return for the entire year. However, if you decide to file two returns, you

must, as a rule, follow the instructions given for persons who went bankrupt in 2005. If you are filing two returns, **indicate on line 21** of each return the date of the proposal in bankruptcy or consumer proposal, and specify the period covered by the return.

If you have filed all of your returns for previous years and paid all amounts owing to Revenu Québec, contact Revenu Québec to find out what rules apply to your situation.

Forms to be enclosed with your income tax return

If you are required to enclose a form with your income tax return, in order to claim a deduction or tax credit for example, visit or call a Revenu Québec office to obtain a copy. You may also print out the form from our Web site, at the following address: www.revenu.gouv.qc.ca.

Brochures, folders and guides

The following is a list of brochures, folders and guides that you may find useful when completing your income tax return. They are available at any office of Revenu Québec. They may also be consulted online, at the following address: www.revenu.gouv.qc.ca.

IN-100-V	<i>Individuals and Rental Income</i>	IN-125-V	<i>The Tax Effects of Amounts Received Under a Disaster Relief Program</i>
IN-102-V	<i>The Tax Credit Respecting Home-Support Services for Seniors</i>	IN-128-V	<i>The Tax Effects of Separation and Divorce</i>
IN-103-V	<i>Refundable Tax Credit for Child-Care Expenses</i>	IN-130-V	<i>Medical Expenses</i>
IN-105-V	<i>Instalment Payments of Income Tax</i>	IN-133-V	<i>Taxation and Persons with Disabilities</i>
IN-106-V	<i>Recourse for Your Tax-Related Problems</i>	IN-155-V	<i>Business and Professional Income</i>
IN-113-V	<i>Prescription Drug Insurance</i>	IN-251-V	<i>Questions About Tips – Employees</i>
IN-114-V	<i>Bankruptcy</i>	IN-301-V	<i>Employee or Self-Employed Person?</i>
IN-117-V	<i>Guide to Filing the Income Tax Return of a Deceased Person</i>	IN-307-V	<i>New Businesses and Taxation</i>
IN-118-V	<i>Employment Expenses</i>	IN-309-V	<i>Voluntary Disclosure</i>
IN-119-V	<i>New Residents and Income Tax</i>	IN-311-V	<i>Seniors and Taxation</i>
IN-120-V	<i>Capital Gains and Losses</i>	IN-324-V	<i>Register for Clic Revenu: Electronic Services at Your Fingertips!</i>

Principal abbreviations used

CIP	Co-operative investment plan	QSSP	Québec stock savings plan
CNIL	Cumulative net investment loss	QST	Québec sales tax
CPP	Canada Pension Plan	RAMQ	Régie de l'assurance maladie du Québec
CSST	Commission de la santé et de la sécurité du travail	R&D	Research and development
DPSP	Deferred profit-sharing plan	RESP	Registered education savings plan
GST	Goods and services tax	RPP	Registered pension plan
HBP	Home Buyers' Plan	RRIF	Registered retirement income fund
IFC	International financial centre	RRSP	Registered retirement savings plan
LLP	Lifelong Learning Plan	SAAQ	Société de l'assurance automobile du Québec
QBIC	Québec business investment company	SIN	Social insurance number
QPP	Québec Pension Plan	SPRINT	Subsidy and loan program for workers

Services available through the Internet

Visit Revenu Québec's Web site at www.revenu.gouv.qc.ca.

The site contains information about the Québec tax system and the role of Revenu Québec. Our forms, guides, folders and brochures can also be consulted on the site.

The Volunteer Program



The Volunteer Program is jointly administered by Revenu Québec and the Canada Revenue Agency. Under the program, hundreds of volunteers are recruited from associations and community groups. The volunteers provide assistance to taxpayers (employees, recipients of social assistance, retirees, senior citizens, immigrants, or persons with disabilities) who have difficulty completing their tax return and who cannot afford to pay a professional to fill out the return.

If you wish to obtain free assistance under the Volunteer Program, contact Revenu Québec. The offices are listed at the end of this guide.

Filing your income tax return

By mail

Whether you complete your Québec income tax return using the forms published by Revenu Québec or commercial tax preparation software, you may submit your return by mail.

Revenu Québec forms

The "Forms" booklet, which contains the income tax return, is available at any Revenu Québec office (see the list at the end of this guide) and at most caisses Desjardins.

If you have another person file your income tax return, give that person your identification label, if you received one. This label indicates your identification number and your name and address.

Commercial tax preparation software

If you are using computer software and are submitting your return and the other required documents by mail, you must ensure that

- you enclose form TPF-1.U-V and the keying summaries (form TPF-1.W-V, *Keying Summary for the Income Tax Return*, and, if applicable, forms TPF-1.X-V and TPF-1.Y-V);

- the paper used is white and letter-size;
- the print quality is acceptable (forms must be printed on one side of the paper and in vertical format only);
- the authorization number appears in the upper right-hand corner of the forms;
- you attach your identification label (if you have one) to form TPF-1.U-V or form TPF-1.W-V.

If you do not comply with these requirements, Revenu Québec may send back your return without processing it.

Please note that Revenu Québec does not verify whether the software takes into account all legislative provisions, or whether the mathematical and carry-over operations done by the software are accurate. Revenu Québec therefore cannot be held responsible if programming errors affect the calculation of income tax and contributions payable. It is your responsibility (and the responsibility of the software developer) to ensure that the software is used correctly and that there are no errors or omissions in the information provided.

Over the Internet

You may file your Québec income tax return over the Internet, either by using the services of a person accredited by Revenu Québec or by completing your own return using commercial tax preparation software.

One of the advantages of online filing is a reduction in processing time, since returns do not have to be mailed and certain manual operations carried out by Revenu Québec are eliminated. Another advantage is that Revenu Québec will promptly confirm that your return has been received. Also, you may consult your notice of assessment by Internet.

If you use the services of a person accredited by Revenu Québec, you must provide the person with your access code or a copy of form TP-1000.TE-V (which may be obtained from the accredited person) in order to confirm that the information transmitted on your behalf is accurate and complete, and that it fully discloses all of your income.



Commercial tax preparation software

If you use computer software to complete your income tax return,

- make sure that the software allows you to transmit the data contained in your return over the Internet;
- contact Revenu Québec (preferably by telephone or Internet) to obtain your access code. If you used computer software to file your 2004 income tax return, Revenu Québec will have already sent you your access code.

Your access code is a number that confirms your identity. We suggest you request your access code over the Internet. You should wait until the beginning of March to do so. Have your 2004 income tax return or notice of assessment on hand.

For further information, consult our Web site, at www.revenu.gouv.qc.ca.

Information about you and your spouse

1 to 9 Last name, first name and address

If you received an identification label, attach it in the space provided on your return. If the information on the label is correct, do not complete lines 1 to 9. If the label contains any incorrect information, make the corrections on the **lines concerned**.

Change of address after you file your return

If your address changes **after** you file your income tax return, notify us as soon as possible so that we can send your return for 2006 to your new address. Where applicable, we will also send to your new address

- your payments of the QST credit or the credit for individuals living in northern villages, for August and December 2006;
- your advance payments of the tax credit respecting the work premium or the tax credit for child-care expenses.

You may advise us of your new address **by mail, by telephone, by Internet or in person**. If you write to us, sign your letter and send it to the Revenu Québec office in your area (the addresses are given at the end of the guide). Remember to include your social insurance number as well as your new address and the date your change of address takes effect. If you use the online change-of-address request (www.revenu.gouv.qc.ca), you must also provide your former address as it appears in your file at Revenu Québec, as well as the amount shown on line 199 of your return for the last taxation year for which you received a notice of assessment from Revenu Québec (do not include cents in the amount). In addition, you may now access the "Service québécois de changement d'adresse" from the Revenu Québec site. This will allow you to notify six different Québec government departments and agencies of your address change in a single step.

Municipal amalgamations

If you live in one of the municipalities affected by the municipal amalgamations, do not change the address on your identification label. Canada Post will notify Revenu Québec at the proper time, and we will make the appropriate changes in your address. However, if you have moved since the last time you filed an income tax return, indicate your new address on lines 7 through 9 of your return.

11 Social insurance number

Make sure your social insurance number is indicated on line 11 of your income tax return. Revenu Québec needs the number in order to inform the Régie des rentes du Québec of your earnings (as a salaried employee or a self-employed person) and your QPP contributions.

If the social insurance number on any of your RL slips is different from the number on your social insurance card, notify the person who prepared the RL slip.

Special cases

If you do not have a social insurance number, apply for one at any Human Resource Centre of Canada.

If your social insurance number has changed since you filed an income tax return, enclose an explanatory note with your return.

12 Your situation on December 31, 2005

The definition of the term "spouse" is different from the definition of "spouse on December 31, 2005." Be sure to read the definitions below.

Spouse

The person to whom you were married or the person who was your **de facto spouse** at any time in 2005 or, since 2002, the person with whom you contracted a civil union.

De facto spouse

The person of the opposite sex or of the same sex who, at any time in 2005,

- was living in a conjugal relationship with you and was the biological or adoptive parent (legally or in fact) of a child of whom you were also the parent; **or**
- had been living in a conjugal relationship with you for at least 12 consecutive months (the 12-month period is considered to have been uninterrupted if you lived apart because of the breakdown of your relationship for a period of less than 90 days).

Spouse on December 31, 2005

The person who

- was your spouse at the end of that day. If you and your spouse were living apart on December 31, 2005, because of the breakdown of your relationship, you are considered to have had a spouse on December 31, 2005, if you began living together again and the separation lasted for less than 90 days; **or**
- was your spouse at the time of his or her death in 2005, provided you and your spouse were not living apart on that date because of the breakdown of your relationship and you did not have a new spouse on December 31, 2005.

Examples

Luke and Maria, who have no children, began living in a conjugal relationship on March 30, 2004. They separated on January 15, 2005, but began living together again two months later. Because their separation lasted for a period of less than 90 days, they are considered to have been de facto spouses since March 30, 2005 (that is, as of 12 months after they first began living together).

Abdul, Brenda's spouse, died on May 18, 2005. Abdul and Brenda were not living apart on the date of his death, and Brenda did not have a new spouse on December 31, 2005. In this case, Abdul is considered to have been Brenda's spouse on December 31, 2005.

Kim and Dale have been living in a conjugal relationship for three years. They separated on December 1, 2005, but began living together again on January 10, 2006. Because their separation lasted for a period of less than 90 days, they are considered to have been spouses on December 31, 2005.

18 New resident in Canada in 2005

If you settled in Canada in 2005, be sure to enter the date of your arrival. Enclose with your return an explanatory note or any documents concerning the establishment of your ties with Canada (such as a document from Citizenship and Immigration Canada).

19 Immigrant or emigrant

If you were not resident in Canada throughout 2005, you must enter on line 19 the total income that you earned during the period in which you were not resident in Canada and that is not subject to Québec income tax.

20 Deceased person

If you are completing the income tax return of a deceased person, write "Estate" after the name of the deceased. **Indicate the date of death on line 20.** For further information, consult the *Guide to Filing the Income Tax Return of a Deceased Person* (IN-117-V).

21 Bankruptcy, proposal in bankruptcy or consumer proposal

If you went bankrupt or filed a proposal in bankruptcy or a consumer proposal in 2005, see the instructions given on page 7.

22 Information return to be completed by the beneficiary of a designated trust

If you were resident in Québec on December 31, 2005 (or if you were resident in Canada, outside Québec, on December 31, 2005, and carried on a business in Québec), and you were the beneficiary of a designated trust, complete form TP-663-V, *Information Return to Be Completed by the Beneficiary of a Designated Trust*. Check box 22 of your income tax return.

If, further to an election made by the trustee under federal legislation, the income and taxable capital gains are taxed in the hands of the trust, you must, as a designated beneficiary, include your share of such income in the calculation of your income. However, you may be entitled to the tax credit for a beneficiary of a designated trust (see the instructions for line 411).

In determining your share of such income, you must include the share of the aggregate of the capital interests or income interests in the trust that is attributable to persons with whom you are not dealing at arm's length.

Designated trust

Any trust resident in Canada, outside Québec, except

- a unit trust (a unit trust includes a mutual fund trust);
- an employee trust;
- a trust governed by an employee benefit plan;
- a segregated fund trust;
- a religious or non-profit organization;
- a trust that was not resident in Canada throughout the year.

NOTE

As a rule, the residence of the trustee is considered to be the residence of the trust.

Designated beneficiary

Any beneficiary of a designated trust who has, for 2005, a share of at least \$5,000 in the income interest of the trust, or a share of at least 10% of the aggregate of the capital interests (or the aggregate of the income interests) in the trust.

Penalties

A beneficiary who fails to provide information required in the *Information Return to Be Completed by the Beneficiary of a Designated Trust* (form TP-663-V) is liable to a penalty of \$100 for each item of information omitted.

Where the amounts that the trust allocates to the designated beneficiary under the above-mentioned election are not included in the beneficiary's

income, the beneficiary is liable to a penalty equal to the higher of the following amounts:

- \$100;
- 25% of the amount by which the income tax that the beneficiary would have paid for the year if the amounts had been included in his or her income **exceeds** the income tax he or she paid for the year.

90 and 92 QST credit

In order to claim the QST credit, you must meet certain **eligibility requirements**.

Eligibility requirements

The requirements for claiming the credit are as follows:

- You were resident in Québec on December 31, 2005.
- You were born before January 1, 1987 (or you were born after December 31, 1986, and had a spouse on December 31, 2005, were the parent of a child who lived with you, or were recognized as an emancipated minor by a competent authority such as a court).
- No one received the child assistance payment from the Régie des rentes du Québec with regard to you.
- No one claimed, with regard to you, an amount for children 18 or over enrolled in post-secondary studies on line 25 of Schedule A.
- No one claimed, with regard to you, a credit for individuals living in northern villages on line 23 of Schedule I.
- No one designated you as a dependent child on line 54 of Schedule P, for the purposes of the tax credit respecting the work premium.

In calculating the QST credit, Revenu Québec will allocate \$165 to you and \$165 to your spouse on December 31, 2005 (see the definition at line 12). If you did not have a spouse on December 31, 2005, and you lived throughout 2005 in a dwelling in which you were the only person who met the **eligibility requirements**, Revenu Québec will add \$112 to your basic amount of \$165 (see the section "Box 92" below).

However, the amount of the QST credit will be reduced by 3% of the portion of your family income that exceeds \$28,030.

Your **family income** is the amount on line 275 of your return. If you had a spouse on December 31, 2005, your family income is the amount on line 275 of your return plus the amount on line 275 of your spouse's return.

In the table below, find the maximum family income that corresponds to your situation in 2005. Compare this amount with your family income. If your family income is equal to or higher than the maximum family income, you will not receive **the QST credit**. If it is lower, **check box 90 and, if applicable, box 92**.

Maximum family income, according to family situation

Family situation	Maximum family income (\$)
Individual who had a spouse on December 31, 2005	39,030
Individual who did not have a spouse on December 31, 2005, and who, throughout 2005 , lived in a dwelling alone or with one or more occupants who did not meet the eligibility requirements for the QST credit	37,263
Individual who did not have a spouse on December 31, 2005, and who lived at some time in the year with a person who met the eligibility requirements for the QST credit	33,530

If you had a spouse on December 31, 2005, only one of you may claim the QST credit.

Revenu Québec will advise you of the amount to which you are entitled and the way in which the amount was calculated. This amount will be paid in two instalments, one in August and one in December. **Please note that you must be resident in Québec** at the beginning of the month of the payment in order to be entitled to it.

Advance payments (box F of the RL-5 slip)

If you or your spouse on December 31, 2005, **received social assistance payments in 2005**, your QST credit will be reduced by the advance payments you received in the year.

Box 92

Individual who did not have a spouse on December 31, 2005

Check box 92 of your return if you met **both** of the following conditions:

- You did not have a spouse on December 31, 2005.
- **Throughout 2005**, you lived in a dwelling
 - **alone**, or
 - **with one or more occupants**, but you were the only person to meet the requirements for the QST credit (see “Eligibility requirements” above).

Dwelling

A house, an apartment or a similar place of residence in which a person ordinarily eats and sleeps, and which is equipped with kitchen and bathroom facilities.

NOTE

A room in a boarding house or a hotel is not a dwelling.

Special cases

The QST credit cannot be claimed in the income tax return of a person who died in 2005. If the person entitled to the credit dies before the beginning of a month in which a payment of the credit is to be made (August or December of 2006), the amount that would have been paid in that month is not payable to the deceased. However, the surviving spouse may obtain the payment or payments if he or she requests them no later than the date on which the deceased's income tax return for the year of death must be filed.

You cannot claim the credit if you or your spouse on December 31, 2005, was exempted from paying income tax because one of you worked for an international organization, the government of a foreign country, or an office of a political subdivision of a foreign country recognized by the Ministère des Finances.

If you or your spouse on December 31, 2005, did not reside in Canada throughout the year, you must take into account, in the calculation of your family income, all of the income that you and your spouse earned, including income earned during the period in which you were not resident in Canada.

You cannot claim the credit if you were confined to a prison or a similar institution on December 31, 2005, and spent more than six months there in 2005.

If your spouse was confined to a prison or a similar institution on December 31, 2005, and spent more than six months there in 2005, you are considered, for the purposes of the QST credit calculation, not to have had a spouse on December 31, 2005.

Credit for individuals living in northern villages

You may claim this credit if you lived in a northern village and you meet all the following requirements:

- You were resident in Québec on December 31, 2005.

- You were born before January 1, 1987 (or you were born after December 31, 1986, and had a spouse on December 31, 2005, were the parent of a child who lived with you, or were recognized as an emancipated minor by a competent authority such as a court).
- No one received the child assistance payment from the Régie des rentes du Québec with regard to you.
- No one claimed, with regard to you, an amount for children 18 or over enrolled in post-secondary studies on line 25 of Schedule A.
- No one designated you as a dependent child on line 54 of Schedule P, for the purposes of the tax credit respecting the work premium.

The credit is based on the number of months in the year during which you or your spouse lived in a northern village, that is, a territory erected as a northern village municipality pursuant to the *Act respecting Northern villages and the Kativik Regional Government* (see the list of villages in Schedule I). In calculating the credit, Revenu Québec will allocate \$39 per month to you, and \$39 per month to your spouse on December 31, 2005 (see the definition at line 12). The sum of \$15 per month will be added for each dependent child who does not meet the conditions for claiming the credit.

Dependent child

Person respecting whom you or your spouse on December 31

- receives the child assistance payment from the Régie des rentes du Québec; or
- claimed an amount for children enrolled in post-secondary studies on line 25 of Schedule A.

However, the amount of the credit will be reduced by 15% of the portion of your family income that exceeds \$28,030.

Your **family income** is the amount on line 275 of your return. If you had a spouse on December 31, 2005, your family income is the amount on line 275 of your return plus the amount on line 275 of your spouse's return.

To claim the credit, complete Schedule I. Revenu Québec will advise you of the amount to which you are entitled. This amount will be paid in two instalments, one in August and one in December. **Please note that you must be resident in Québec** at the beginning of the month of the payment in order to be entitled to it.

If you had a spouse on December 31, 2005, only one of you may claim the credit.

Special cases

If you and your spouse on December 31, 2005, lived in a northern village during different periods, contact Revenu Québec.

The credit for individuals living in northern villages cannot be claimed in the income tax return of a person who died in 2005. If the person entitled to the credit dies before the beginning of a month in which a payment of the credit is to be made (August or December of 2006), the amount that would have been paid in that month is not payable to the deceased. However, the surviving spouse may obtain the payment or payments if he or she requests them no later than the date on which the deceased's income tax return for the year of death must be filed.

If you or your spouse on December 31, 2005, did not reside in Canada throughout the year, you must take into account, in the calculation of your family income, all of the income that you and your spouse earned, including income earned during the period in which you were not resident in Canada.

Total income

In general, any amount that is earned, whatever its source, constitutes income.

You earned amounts in foreign currency

These amounts must be converted to Canadian dollars. Use the exchange rate in effect at the time you earned the amounts. You may use the average exchange rate for the year if the amounts were received over the entire year. For information on the exchange rate, consult the Web site of the Bank of Canada at the following address: www.bank-banque-canada.ca.

Non-taxable amounts

Do not include the following when calculating your income:

- the allowance received under the shelter allowance program;
- property received as an inheritance;
- amounts received under a life insurance policy following the death of the insured;
- the child assistance payment from the Régie des rentes du Québec;
- the tax credit respecting the work premium;
- the QST credit;
- the GST credit;
- the credit for individuals living in northern villages;
- lottery winnings;
- strike pay;
- compensation paid to Merchant Navy veterans or surviving spouses;
- federal Child Tax Benefit payments;
- benefits paid under a wage loss replacement plan or an income insurance plan, other than a plan to which your employer made a contribution.

Retroactive payments and support-payment arrears

If you received a retroactive payment in 2005, you may ask Revenu Québec to calculate whether it is to your advantage to have the portion of the amount that applies to previous years deducted from your taxable income for 2005, provided that portion is \$300 or more. If it is to your advantage, Revenu Québec will enter a tax adjustment on line 402 of Schedule E.

This measure applies to:

- employment income (line 101 or 107) received further to a court judgment, an arbitration award or a settlement between the parties in legal proceedings, or under the *Act respecting municipal territorial organization*;
- a retroactive payment that you are required to include on line 111, 114, 119, 122, 147 or 154 (see points 3(a) and 3(b) in the instructions for line 154);
- interest on a retroactive payment (line 130);
- any retroactive payment included on line 154 that would be, in the opinion of the Minister of Revenue, an undue additional tax burden if you were to include the amount in your taxable income for the year;
- support-payment arrears that you are required to report on line 142.

To make such a request, report the payments on the appropriate lines of your return and **check box 404**. Also complete form TP-766.2-V, *Averaging of a Retroactive Payment, Support-Payment Arrears or a Repayment of Support*.

Transfer of property

If you transferred or loaned property to your spouse, or to a person who was born after December 31, 1987, and who was your nephew or niece or was related to you by blood, marriage or adoption, you must report in

your own income tax return the income earned by the person respecting the property in question.

Split income of a child

You may have to pay a special tax if you were born after December 31, 1987, and you included in your income

- taxable dividends and other benefits granted to a shareholder with regard to unlisted shares of Canadian corporations and (in certain cases) of foreign corporations;
- income from a partnership or trust, if the partnership or trust earns the income from a business providing goods or services to a business carried on by a person related to you.

Certain income subject to this special tax may be indicated in the centre of your RL-15 slip, after the note "Split income of a child" (or "Revenu fractionné d'un enfant"). It may also be indicated in the centre of your RL-16 slip, after one of the following notes: "Box I – Split income: dividends" (or "Case I : revenu fractionné – dividendes"); or "Box G – Split income" (or "Case G : revenu fractionné").

You may claim a deduction for this income on line 295 of your income tax return.

For further information, contact Revenu Québec.

98 QPP and CPP contributions

Enter, on line 98, the total of

- the Québec Pension Plan (QPP) contributions shown in box B of your RL-1 slips; and
- the Canada Pension Plan (CPP) contributions shown in the centre of your RL-1 slips, after the note "CPP contributions" (or "Cotisations au RPC"), or on your T4 slips (if you did not receive an RL-1 slip respecting these contributions).

Do not take into account the amounts on lines 98 and 100 when calculating the amount to be entered on line 101.

Overpayments

If the amount you entered on line 98 is over \$1,861.20, enter the excess amount on line 452.

You may have made an overpayment even if the total amount of your contributions is under \$1,861.20. If this is the case, Revenu Québec will calculate the amount overpaid when processing your return and will take it into account on line 452.

101 Employment income

Add the following amounts and enter the total on line 101:

- the amount in box A of your RL-1 slip;
- the amount in the centre of your RL-1 slip after the note "Box R – Income from an office or employment" (or "Case R : revenu de charge ou d'emploi"); and
- the amount in the centre of your RL-25 slip, after the note "Box D – Amounts allocated, in respect of which QPP contributions were made" (or "Case D : montants attribués ayant fait l'objet de cotisations au RRQ").

You worked in Québec but did not receive an RL-1 slip

If you have not received an RL-1 slip from your employer by mid-March 2006, request one. If you are still unable to obtain an RL-1 slip, estimate your gross employment income and your source deductions (income tax, employment insurance premiums, Québec Pension Plan contributions, etc.) and enter the estimated amounts in your return. Enclose with your return a note indicating your employer's name and address; if possible, include your pay slips or your deposit statements.

If you worked in Québec for an employer located outside Québec, you must include in your employment income the total income shown on your T4 slips. Attach a copy of these slips to your income tax return.

You worked outside Québec

You must include on line 101 the employment income you earned outside Québec. If the income was earned in Canada and you did not receive RL-1 slips, attach a copy of your T4 slips to your return.

If you worked outside Canada, check box 94 of your return.

Taxable benefits

If you received taxable benefits whose value is not included in the amount in box A or box R of your RL-1 slip (or on your T4 slip, where you did not receive an RL-1 slip), contact your employer to find out the amount you are required to report.

Fair market value of the share or unit at the time of acquisition				1		
Amount paid to purchase the share or unit		2				
Amount paid to purchase the option	+	3				
Add lines 2 and 3.	=	4			4	
Subtract line 4 from line 1. Multiply line 5 by the number of shares or units sold in the year. Enter the result on line 101.				=	5	

Deferred taxation of the benefit from a security option

If, further to an agreement with your employer, you acquired an option for the purchase of shares or of mutual fund units, and at the time you exercised the option you advised the employer of your election to defer taxation of the value of the benefit related to the securities until the year of their sale, do the calculation below if you sold any of the shares or units in the year. The calculation will allow you to determine the benefit to include in your income.

The amount of the benefit calculated below may entitle you to a security option deduction. See the instructions for line 297.

Optional contributions to the QPP

If, as an employee, you paid less than \$1,861.20 in QPP contributions in 2005 (line 98), you may under certain conditions make additional contributions for 2005. This may be possible, for example, if you worked for more than one employer.

For further information, contact Revenu Québec.

105 Correction of employment income

If you received an RL-22 slip for 2005, you must correct the amount of your employment income (indicated on line 101) in order to take into account the benefit you received under certain insurance plans.

To calculate the amount of the correction, complete work chart 105.

You were self-employed or you did not earn employment income in 2005

If you received an RL-22 slip for 2005, enter on line 105 of your income tax return the amount shown in box A of the slip, in order to take into account the value of all coverage you received under certain insurance plans.

107 Other employment income

Enter on line 107 the amount of all your other employment income. In box 106, enter the number in the list below that corresponds to the source of income. If your income is from more than one source listed, enter "09" in box 106.

- 01 Tips not included on the RL-1 slip
- 02 Wage loss replacement benefits (box O of the RL-1 slip)
- 03 Amounts allocated or paid under a profit-sharing plan
- 04 Rebate of the GST and QST
- 05 Other employment income

1. Tips not included on the RL-1 slip

Enter the total amount of the tips that you received and that are not included in the amount in box S of your RL-1 slip.

2. Wage loss replacement benefits (box O of the RL-1 slip)

Enter the total of the wage loss replacement benefits included in the amount in box O of your RL-1 slip.

You may subtract certain contributions you paid to a wage loss replacement plan (health insurance plan, accident insurance plan, disability insurance plan or income insurance plan) from the amount of the benefits you received under the plan. Enclose with your return a letter from your employer indicating the amount of contributions you are entitled to deduct.

3. Amounts allocated or paid under a profit-sharing plan

Enter the total of the amounts allocated or paid to you under a profit-sharing plan. These amounts are shown in the centre of your RL-25 slip, after the note "Box D – Amounts allocated or paid, in respect of which QPP contributions were not made" (or "Case D : montants attribués ou versés n'ayant pas fait l'objet de cotisations au RRQ").

4. Rebate of the GST and QST

Enter the amount you received in 2005 as a rebate of the goods and services tax (GST) and Québec sales tax (QST), if the GST and QST were included in the expenses you deducted as an employee, or in the deduction for the purchase of tools to which you were entitled as an apprentice mechanic, apprentice automotive painter or apprentice auto body repairer. Do not report, on line 107, the portion of the GST and QST rebate that is related to capital cost allowance respecting an automobile or a musical instrument; subtract that portion from the undepreciated capital cost at the beginning of 2005.

Optional contributions to the QPP

If, as an employee, you paid less than \$1,861.20 in QPP contributions in 2005 and you wish to increase your QPP benefits, you may under certain conditions make additional contributions on all or a portion of the income that you reported on line 107, as well as on certain income that you reported on line 101 (see "Optional contributions to the QPP" in the instructions for line 101). If you choose to make additional contributions, complete work chart 445.

111 Employment insurance benefits

If you received employment insurance (EI) benefits, enter the amount shown on your T4E slip.

Do not enclose your T4E slip with your return, but keep it in case Revenu Québec asks you for it.

114 Old age security pension

If you received the old age security pension, enter the total shown on your T4A(OAS) slip.

Do not enclose your T4A(OAS) slip with your return, but keep it in case Revenu Québec asks for it.

Do not enter on line 114 the amount of the federal supplements that you received (guaranteed income supplement or allowance, also shown on your T4A(OAS) slip). Enter that amount on line 148.

You were born before December 1, 1940, and you did not receive the old age security pension in 2005

Enclose with your return an explanatory note and confirmation from Social Development Canada (or your Canadian entry visa). Without such documents attesting to your situation, Revenu Québec will presume that you received the pension because of your age, and will add it to your income.

119 QPP or CPP benefits

If, under either the Québec Pension Plan (QPP) or the Canada Pension Plan (CPP), you received a retirement, disability, surviving spouse's or child's pension, enter the amount shown in this respect in box C of your RL-2 slip (or on your T4A(P) slip if you did not receive an RL-2 slip).

Do not enclose the RL-2 slip with your return, but keep it in case Revenu Québec asks you for it.

Child's pension

A pension paid for an orphan or for the child of a disabled person is part of the child's income.

Death benefit

A death benefit must be included in the income of the estate, not in the income of the deceased. The amount of the benefit must therefore be reported in the *Trust Income Tax Return* (form TP-646-V). However, if the death benefit is the only income to be reported in the trust return, the return need not be filed; instead, the recipient of the benefit must include it in his or her income. If the estate was refused, the person who received the benefit for the purpose of paying the funeral expenses is not required to include it in his or her income.

122 Payments from a pension plan, an RRSP, a RRIF or a DPSP, or annuities

PAYMENTS FROM A PENSION PLAN

If you received payments from a pension plan, enter the total of the amounts shown in box A of your RL-2 slip and in box D of your RL-16 slip. **The payments may entitle you to an amount for retirement income.** See the instructions for line 361.

Pension from a foreign country

The total amount of the pension you received from a foreign country must be included in your income. However, you may claim a deduction on line 297 of your income tax return if all or a portion of the pension is exempt from income tax under a tax treaty or agreement concluded between the foreign country and Québec or Canada. **You must convert these amounts to Canadian dollars**, using the exchange rate in effect at the time you received the amounts. You may use the average exchange rate for the year if the amounts were received over the entire year. To find out the exchange rate, consult the Web site of the Bank of Canada at the following address: www.bank-banque-canada.ca.

PAYMENTS FROM AN RRSP, A RRIF OR A DPSP, OR ANNUITIES

If you received payments from a registered retirement savings plan (RRSP), a registered retirement income fund (RRIF), or a deferred profit-sharing plan (DPSP), **enter the amount from box B of your RL-2 slip.**

Amounts received from a RRIF further to a death

If you received amounts from a RRIF by reason of the death of your spouse or another person, **enter the amount from box K of the RL-2 slip.**

Annuities that constitute retirement income

If you received an income-averaging annuity or an ordinary annuity, **enter the amount from box B of your RL-2 slip.** In the "Provenance des revenus" box of the slip, income-averaging annuities are identified by the abbreviation "RE" and ordinary annuities by the abbreviation "RO."

Income accrued under certain life insurance policies

If you received income accrued under certain life insurance policies or under certain annuity contracts, **enter the amount from box J of your RL-3 slip.**

The amount you enter on line 122 may entitle you to an amount for retirement income. See the instructions for line 361.

128 Taxable amount of dividends from taxable Canadian corporations

The taxable amount of dividends from taxable Canadian corporations is the total of the amounts shown in box B of your RL-3 slip, box I of your RL-16 slip, box F of your RL-25 slip and box 6 of your RL-15 slip (in the last case, multiply the amount by 1.25). If you did not receive these RL slips, the amounts are shown on your T3, T4PS, T5 and T5013 slips (in the last case, multiply the amount by 1.25).

If you did not receive RL slips or other information slips for certain dividends, you can determine the amount to report by multiplying the amount of these dividends by 1.25. **Enclose with your return an explanatory note respecting these dividends.**

The amount you enter on line 128 entitles you to a dividend tax credit. See the instructions for line 415.

130 Interest and other investment income

INTEREST

As a rule, the amounts of interest you must report are shown on your RL-3, RL-13, RL-15 and RL-16 slips or, if you did not receive these RL slips, on your T600, T3, T5 and T5013 slips. You must also report all interest for which you do not have RL slips or other information slips, including interest you received on a loan made to an individual and interest on any income tax refunds you received in 2005. **Enclose with your return an explanatory note respecting the interest.**

Bearer debt obligations

You may determine the interest on bearer debt obligations such as Treasury bills from your RL-18 slip (or T5008 slip if you did not receive an RL-18 slip) or from a statement of account or transactions record received from a stockbroker or an institution.

If you cashed or disposed of these securities, the difference between the proceeds of disposition (box 21 of the RL-18 slip) and the price you paid for the securities may constitute interest income. It may also constitute a capital gain or loss. For further information, contact Revenu Québec.

Joint accounts

If you held an account jointly with another person, report only the interest corresponding to your contribution to the account. **Enclose with your return an explanatory note respecting the interest.**

Method used for reporting interest

There are three methods of reporting interest from investment contracts (bonds, savings bonds, term deposits, bearer debt obligations, etc.). You may use a different method for each investment contract.

- **Cash method**

As a rule, you must report the interest that you received or that was credited to you in 2005, except for amounts that you reported previously. However, for **investment contracts entered into after 1989**, you must report, each year, the interest accrued to the anniversary of the date on which the investment was acquired. These amounts may be shown in box D of your RL-3 slip.

- **Accrual method**

Each year, you must report the amount of interest accrued from January 1 to December 31.

- **Receivable method**

Each year, you must report the interest that falls due during the year. For example, you would report interest on municipal bond coupons that have matured but have not been cashed.

OTHER INVESTMENT INCOME

Other investment income includes

- your investment income, which may be shown in box E of your RL-3 slip, or in box G of your RL-16 slip if the note "Box G – Investment income" (or "Case G : revenus de placements") appears in the centre of the RL-16 slip or if the number "1" is entered in the box marked "Code des revenus (case G)";
- your royalties, which may be shown in box H of your RL-3 slip;
- the benefits you received as a shareholder of a corporation, which may be shown in box O of your RL-1 slip;
- your gross foreign investment income, which may be shown in box F of your RL-3 slip, box 8 of your RL-15 slip or box F of your RL-16 slip.

Foreign investments

Your gross foreign investment income must be expressed in **Canadian dollars**. Use the exchange rate in effect at the time you received the income or it was credited to you. You may use the average exchange rate for the year if the amounts were received over the entire year. You may be entitled to a foreign tax credit (see the instructions for line 409).

To find out the exchange rate, consult the Web site of the Bank of Canada at www.bank-banque-canada.ca.

136 Rental income

The rental income you must report is income derived from the rental of property. Your net income is your gross rental income, **minus** the expenses you incurred during the year to earn this income, **minus** capital cost allowance (where applicable).

You **must enclose** with your income tax return a statement of your rental income and expenses, or form TP-128-V, *Income and Expenses Respecting the Rental of Immovable Property*. A separate statement or form must be completed for **each** immovable from which you derived rental income.

Line 136 must not be used to report income that was derived from the rental of property if the income constitutes business income; report such amounts on line 23 of Schedule L instead.

Amounts received under a disaster relief program

If you received financial assistance under a disaster relief program, consult the brochure *The Tax Effects of Amounts Received Under a Disaster Relief Program* (IN-125-V).

Member of a partnership

If you were a member of a partnership, the amount of your share of the partnership's income (or losses) respecting the rental of property is shown in box 3 of your RL-15 slip or in the partnership's financial statements. You must enclose your RL-15 slip with your return; if you did not receive an RL-15 slip, enclose a copy of the partnership's financial statements.

Labour costs

If you incurred labour costs (other than salaries and wages paid to your employees) in order to maintain land or maintain, repair or renovate a building from which you derived rental income, you must provide the names of the persons who carried out the work. If you do not provide this information, you are liable to a penalty. Complete form TP-1086.R.23.12-V, *Statement of Costs Incurred Respecting Work Carried Out on an Immovable*.

Rental loss

Enter in brackets on line 136 the amount of any rental loss you sustained, and subtract it instead of adding it. Please note that you cannot claim, with respect to rental property, the portion of the capital cost allowance that creates or increases a rental loss.

For further information, consult the brochure *Individuals and Rental Income* (IN-100-V).

139 Taxable capital gains

If you realized a gain on the disposition of capital property (shares, bonds, debts, land, buildings, etc.), you may be required to include a portion of the gain in your income. If your capital gains exceed your capital losses, 50% of the excess amount must be entered on line 139 as a taxable capital gain.

However, if your capital losses exceed your capital gains, 50% of the excess amount constitutes a net capital loss. A net capital loss cannot be deducted in the current year (see "Net capital loss" below).

Your capital gains or losses on publicly traded securities can be determined from your RL-18 slip (or your T5008 slip if you did not receive an RL-18 slip) or from a statement of account or transactions record received from a stockbroker or an institution.

You must file a 2005 income tax return if you disposed of capital property in 2005 or if you are required to report a capital gain with regard to a 2004 reserve.

If you fail to report a capital gain realized on the disposition of qualified farm property, qualified fishing property, qualified small business corporation shares or certain resource property, you may lose your entitlement to the capital gains deduction (line 292). The same is true if you file your 2005 income tax return after April 30, 2007 (or after June 15, 2007, if you or your spouse is reporting business income for 2005).

To calculate the amount of your capital gains or losses on the disposition of capital property, **complete Part A of Schedule G**. If you disposed of resource property, **complete Part B**. If you disposed of qualified farm property, qualified fishing property or qualified small business corporation shares, **complete Part C**.

Disposition of shares held as a result of the demutualization of insurance corporations

You must report any gain you realized in 2005 on the disposition of shares that you held as a result of the demutualization of an insurance corporation. Complete Part A of Schedule G to calculate the amount of the gain. In this case, the **adjusted cost base** is deemed to be nil.

Disposition of resource property

To calculate the amount of your capital gains or losses on the disposition of resource property, complete Part B of Schedule G. Complete Part C instead if you disposed of resource property that constituted qualified farm property or qualified small business corporation shares and you have not used up the \$500,000 capital gains deduction. Regardless of whether the gain is entered in Part B or Part C of Schedule G, it may entitle you to a capital gains deduction. See the instructions for line 292.

Reserve respecting a capital gain

If you disposed of capital property in 2005, and a portion of the proceeds was not payable until after the end of the year, you may, as a rule, deduct a reserve in this respect. However, the reserve you deduct must not exceed the amount claimed in your federal income tax return.

If you deduct a reserve in your 2005 income tax return, you must include the amount of the reserve in your income for 2006. However, you may be able to deduct another reserve in your 2006 return.

For further information concerning the calculation of the reserve, consult the brochure *Capital Gains and Losses* (IN-120-V).

Adjusted cost base

As a rule, the purchase price of the property, plus the expenses incurred to acquire the property and the capital cost of any additions or improvements to it. Examples of expenses incurred to acquire property include legal fees, surveyor's fees, assessment or brokerage fees, the GST and the QST.

NOTE

If you disposed of capital property respecting which you elected to report a capital gain deemed to have been realized on February 22, 1994, consult the brochure *Capital Gains and Losses* (IN-120-V).

Capital gain

As a rule, the proceeds of disposition of capital property, **minus** the adjusted cost base of the property and the expenses incurred to dispose of it.

Disposition

A transaction in which a person disposes of capital property by way of sale, transfer, donation or legacy. A disposition may be involuntary when property is expropriated, stolen, etc.

Proceeds of disposition

As a rule, the selling price of the property. The proceeds of disposition may also be compensation received for property that was expropriated, destroyed, damaged or stolen.

Amounts received under a disaster relief program

If you received financial assistance under a disaster relief program, consult the brochure *The Tax Effects of Amounts Received Under a Disaster Relief Program* (IN-125-V).

Disposition of a principal residence

If you disposed of your principal residence in 2005, you must complete form TP-274-V, *Designation of Property as a Principal Residence*. You will thereby avoid having all or a portion of any profit considered a capital gain.

Disposition of incorporeal capital property

If you disposed of incorporeal capital property (goodwill, a trademark, your list of customers, a farm quota, etc.), the gain realized on the eligible incorporeal capital amount constitutes business income. If the property disposed of was qualified farm property or qualified fishing property, you may be entitled to a deduction for the gain. See the instructions for line 292.

Special case

If you disposed of incorporeal capital property, you may, under certain conditions, consider the gain realized on the property to be a capital gain. For further information, consult the brochure *Capital Gains and Losses* (IN-120-V).

Disposition of personal-use property (line 16 of Schedule G)

If you realized a capital gain on the disposition of personal-use property, you are required to report it only if the proceeds of disposition are over \$1,000. In this case, the adjusted cost base is deemed to be \$1,000 or the actual amount of the adjusted cost base, whichever is higher.

A loss sustained on the disposition of personal-use property cannot be deducted.

Disposition of precious property (lines 18 and 19 of Schedule G)

If you realized a capital gain on the disposition of precious property, you are required to report it only if the proceeds of disposition are over \$1,000. In this case, the adjusted cost base is deemed to be \$1,000 or the actual amount of the adjusted cost base, whichever is higher.

If you disposed of precious property in 2005 and your gains exceeded your losses, you may deduct the net losses you sustained from 1998 to 2004 on precious property but have not previously deducted. The amount you deduct must not exceed the net gain you realized in 2005 on the disposition of such property.

If you disposed of precious property in 2005 and your losses exceeded your gains, you cannot deduct these losses from the gains you realized on the disposition of other types of property. However, you may deduct the losses from the gains you reported on the disposition of precious property in the previous three years. To do so, complete form TP-1012.A-V, *Carry-Back of a Loss*, and file it **separately** from your return.

Ecological gifts or donations of certain securities

Ecological gifts (line 91 of Schedule G)

Complete form TP-231-V, *Capital Gain Resulting from the Donation of Certain Property*, if you realized a capital gain further to the donation of land with ecological value (or servitudes encumbering land with ecological value) to a Québec municipality, to certain registered charities, or to the government of Québec, Canada, a province other than Québec, the United States or a U.S. state.

Donations of certain securities (line 91 of Schedule G)

Complete form TP-231-V, *Capital Gain Resulting from the Donation of Certain Property*, if you realized a capital gain further to the donation of certain securities (for example, listed shares and mutual fund units) to a charity or to another qualified donee (except to a private foundation).

Property held in a flow-through entity

If you elected to report a capital gain deemed to have been realized on the disposition of an interest or shares in a flow-through entity on February 22, 1994, and you have not used up your exempt capital gains balance, the unused portion is added to the adjusted cost base of your shares or your interest in the flow-through entity.

Deferral of capital gains resulting from the qualifying disposition of small business corporation shares (line 94 of Schedule G)

If you realized a capital gain on the disposition of small business corporation shares, and you purchased new shares issued by an eligible small business, you may, under certain conditions, defer taxation of all or a portion of the gain until the new shares are disposed of.

For further information on deferring capital gains resulting from the qualifying disposition of small business corporation shares, consult the brochure *Capital Gains and Losses* (IN-120-V).

Net capital loss

If the result obtained on line 98 of Schedule G is negative (that is, if your allowable capital losses exceed your taxable capital gains), this amount constitutes a net capital loss. **You cannot deduct this net capital loss in 2005**, but you may use it to reduce your taxable capital gains for the three previous years or for subsequent years. If you wish to use a loss to reduce

your taxable capital gains for previous years, complete form TP-1012.A-V, *Carry-Back of a Loss*, and file it **separately** from your return. To find out the rules under which you may reduce your taxable capital gains for subsequent years, see the instructions for line 290.

For further information on capital gains and losses, consult the brochure *Capital Gains and Losses* (IN-120-V).

142 Support payments received

As a rule, you must enter on line 142 the amount of support payments you received in 2005 under a written agreement or a judgment, if the payments were received as an allowance payable periodically for your benefit or the benefit of your child, and you were not living with the payer at the time the payments were made. However, if you are covered by the measures under which child support is non-taxable for the recipient and non-deductible for the payer, see the section "Tax treatment of child support" below and **complete work chart 142**.

Refund of support payments

If you made support payments that you deducted on line 225 of your income tax return for a previous year, but an amount was refunded to you in 2005 further to a court order, enter the amount of the refund on line 142. See the instructions for line 402.

Tax treatment of child support

In general, child support paid under a written agreement entered into or a judgment rendered after April 30, 1997, cannot be deducted by the person who made the payments and does not have to be included in the income of the person who received the payments. These measures came into effect on May 1, 1997.

Child support

Any support payment that is not intended solely for the benefit of the payer's spouse or former spouse or solely for the benefit of the parent of a child of whom the payer is also the parent.

For further information, consult the brochure *The Tax Effects of Separation and Divorce* (IN-128-V).

Written agreement entered into or judgment rendered after April 30, 1997

As a rule, you are not required to include in your income the child support received under a written agreement entered into or a judgment rendered after April 30, 1997.

Written agreement entered into or judgment rendered before May 1, 1997

You must report the payments received for the benefit of a child under a written agreement entered into or a judgment rendered before May 1, 1997. However, you are not required to report payments that are non-taxable for one of the following reasons:

- The agreement or judgment stipulates that payments for the benefit of a child made as of a certain date (which must be after April 30, 1997) will not be taxable for you.
- The agreement or judgment was varied after April 30, 1997, in order to increase or decrease the amount of support for the benefit of a child. The payments made further to such a change are not taxable.
- You and the payer made a joint election to have the measures under which child support is non-taxable for the recipient and non-deductible for the payer apply to you as of a certain date (which must be after April 30, 1997), and you submitted form TP-312-V, *Election Concerning Child Support*. The payments made for a period that began after the date indicated in the form are not taxable.

If, in accordance with the agreement or judgment, you received a non-taxable amount as child support, and a taxable amount as support for your benefit only, **complete work chart 142**.

Use of support payments

If there were any restrictions on the use of the support payments that were made to you or to a third party for your benefit or the benefit of your child (for the purpose of paying your rent, property taxes, mortgage, etc.), you may not have to include the amounts in your income.

For further information, consult the brochure *The Tax Effects of Separation and Divorce* (IN-128-V).

Payments received under the support-payment collection system

If Revenu Québec paid you a taxable amount in 2005 as child support or as support for your benefit only, enter the amount on line 142. If the amount paid to you as support is non-taxable, complete work chart 142. See the section "Support-payment arrears" below if any portion of the amount you received constitutes arrears.

Non-taxable support owing to you on December 31, 2004 (line 2 of work chart 142)

On line 2 of work chart 142, enter the non-taxable amount of support that you were to receive for 1997 through 2004 but had not received as of December 31, 2004. If you completed work chart 142 in 2004, enter the amount from line 5, if that amount is negative.

Carry-forward of non-taxable support (line 5 of work chart 142)

If the amount on line 5 of work chart 142 is negative, that is, if the amount of child support that you were owed is higher than the amount that you actually received, you must take into account the difference in your 2006 income tax return.

Support-payment arrears

If you received support-payment arrears that you are required to include in your income, enter the amount on line 142. The amount of support-payment arrears that may be subject to a tax adjustment is the lower of the following amounts: the amount of arrears you received, or the amount of arrears included on line 142. See the instructions for line 402.

For further information, consult the brochure *The Tax Effects of Separation and Divorce* (IN-128-V).

147 Social assistance payments and similar financial assistance

If you received social assistance payments or similar financial assistance in 2005, enter the total of the amounts shown in boxes A and B of your RL-5 slip, or the amount shown on your T5007 slip if you did not receive an RL-5 slip.

Do not enclose your RL-5 slip with your return, but keep it in case Revenu Québec asks you for it.

If you repaid social assistance payments or similar financial assistance (box H of your RL-5 slip), see point 1 in the instructions for line 250.

148 Income replacement indemnities and net federal supplements

INCOME REPLACEMENT INDEMNITIES

If you received income replacement indemnities or compensation for the loss of financial support, report the amount on line 148. The amount you enter on line 148 entitles you to a deduction on line 295. However, if you received compensation for the loss of financial support or any of the income replacement indemnities described in points 1, 2, 3 and 5 below, **you must correct the amount of your non-refundable tax credits**. See the instructions for line 358. If you repaid income replacement indemnities, see point 1 in the instructions for line 250.

1. Workers' compensation

If, in 2005, you received workers' compensation or compensation for the loss of financial support from the Commission de la santé et de la sécurité du travail (CSST), enter the amount from box C of your RL-5 slip. Also enter the amount of the income replacement indemnities or similar compensation received under a law of Canada or a province other than Québec which concerns workers' compensation. This amount may be shown on a T5007 slip.

Do not enclose your RL-5 slip with your return, but keep it in case Revenu Québec asks you for it.

If, in 2005, you received an amount from your employer as workers' compensation, to make up for the loss of income for each day or portion of a day that you missed work to receive care or undergo medical examinations or to carry out an activity as part of your personal rehabilitation program, enter on line 148 the amount indicated in this respect on your RL-1 slip. The code "RT," which appears in the "Code (case O)" box of the RL-1 slip or in the centre of the slip, is used to identify such an amount.

2. Indemnities received further to a precautionary cessation of work

If, in 2005, you received income replacement indemnities further to a precautionary cessation of work, enter the amount indicated in this respect in box E of your RL-5 slip, or the amount shown on your T5007 slip if you did not receive an RL-5 slip.

3. Indemnities received further to a traffic accident

If, in 2005, you received income replacement indemnities or compensation for the loss of financial support from the Société de l'assurance automobile du Québec (SAAQ) further to a traffic accident, enter the amount from box D of your RL-5 slip. Also enter the indemnities or similar compensation received under a law of a province other than Québec further to a traffic accident.

Do not enclose your RL-5 slip with your return, but keep it in case Revenu Québec asks for it.

4. Financial assistance received further to a means test

If, in 2005, you received financial assistance from a charity based on a means test, enter the amount from box K of your RL-5 slip, or the amount shown on your T5007 slip if you did not receive an RL-5 slip.

5. Other indemnities

If, in 2005, you received income replacement indemnities or compensation for the loss of financial support further to an act of good citizenship or because you were the victim of a crime, or you received any other income replacement indemnities or compensation for the loss of financial support under a law of Québec, enter the amount from box E of your RL-5 slip. Also enter the indemnities or similar compensation received under a law of Canada or a province other than Québec.

Special case

If, in 2005, you received income replacement indemnities that were payable in 2004, Revenu Québec will calculate a **tax adjustment on line 402** of Schedule E.

NET FEDERAL SUPPLEMENTS

If, in 2005, you received an amount as a net federal supplement (guaranteed income supplement or allowance), enter the amount indicated in this respect on your T4A(OAS) slip.

Do not enclose your T4A(OAS) slip with your return, but keep it in case Revenu Québec asks you for it.

Special cases

If, on line 235 of your **federal income tax return**, you are entering an amount as a social benefits repayment, see "Special case" in the instructions for line 295.

If you received an amount as a guaranteed income supplement in 2005, and you or your spouse received a retroactive payment of the old age security pension or of federal supplements in 2005, see "Special cases" in the instructions for line 447.

154 Other income

Enter on line 154 the amount of all your other income. In box 153, enter the number in the list below that corresponds to the source of the income; if you are reporting income from more than one source listed, enter "66" in box 153.

- 01 Scholarships and bursaries (box O of the RL-1 slip)
- 02 Income supplement received under a government work-incentive project (box O of the RL-1 slip)
- 03 Other income (box O of the RL-1 slip)
- 04 Refund of unused RRSP contributions
- 05 Recovery of a deduction for contributions to a spousal RRSP
- 06 Other income (box C of the RL-2 slip)
- 07 Other income (boxes D, E, G, H and K of the RL-2 slip)
- 08 Other income (boxes B and G of the RL-16 slip)
- 09 Amounts withdrawn from an RRSP under the HBP or the LLP
- 10 Amounts not repaid under the HBP or the LLP
- 11 Recovery of resource deductions
- 12 Recovery of QSSP deductions
- 13 Recovery of deductions for the purchase of tools
- 14 Other taxable income that is not reported elsewhere in your return

1. Scholarships and bursaries (box O of the RL-1 slip)

If, in 2005, you received scholarships, bursaries or any similar financial assistance (fellowships or prizes for a remarkable achievement), enter the amount from box O of your RL-1 slip. The code "RB," which appears in the "Code (case O)" box of the RL-1 slip or in the centre

of the RL-1 slip, is used to identify such an amount. In the case of amounts received under a registered education savings plan (RESP), see point 3(i) below. For research grants, see point 3(j) below.

Deduction

Even if you report an amount of scholarships, bursaries or similar financial assistance on line 154, you will not have to pay income tax on the amount, since it may be deducted on line 295.

2. Income supplement received under a government work-incentive project (box O of the RL-1 slip)

If, in 2005, you received amounts from the Ministère de l'Emploi et de la Solidarité sociale as financial support or as an income supplement under the "Action emploi" program, **enter the amount shown in this respect in box O of your RL-1 slip.**

If you received assistance for the payment of tuition fees that do not entitle you to an amount for tuition fees (line 384), see "Deduction for assistance received for the payment of tuition fees" in the instructions for line 295.

3. Other income (box O of the RL-1 slip)

The following amounts (shown in box O of your RL-1 slips) must be reported on line 154:

- (a) labour adjustment benefits;
- (b) income assistance payments;
- (c) a maternity allowance received from the Ministère de l'Emploi et de la Solidarité sociale;
- (d) a retiring allowance. This amount may also be shown in the centre of your RL-16 slip, after the note "Box G – Retiring allowance" (or "Case G : allocation de retraite");
- (f) a death benefit paid by an employer on the death of an employee, in recognition of services rendered by the employee in carrying out the duties of an office or employment (in certain cases, you may be entitled to an exemption of up to \$10,000). This amount may include unused sick-leave credits accumulated by the employee. This benefit, which may also be shown in box G of the RL-16 slip, should not be confused with the death benefit paid by the Régie des rentes du Québec. (For information on the death benefit paid by the Régie des rentes, see the instructions for line 119.)
For further information, contact Revenu Québec;
- (g) amounts received under a supplementary unemployment benefit plan;
- (h) amounts received or allocated by a custodian under a retirement compensation arrangement;
- (i) amounts received under a registered education savings plan (RESP). The code "RU," which appears in the "Code (case O)" box of the RL-1 slip or in the centre of the RL-1 slip, is used to identify such amounts.
If you are the subscriber under an RESP, or the spouse, former spouse or heir of the subscriber, and you received amounts identified by the code "RV" in the "Code (case O)" box of the RL-1 slip or in the centre of the RL-1 slip, you may have a special tax payable. See the instructions for line 443;
- (j) the net amount of research grants.

To calculate the net amount of a research grant received in 2005, subtract the total of the following expenses (up to the amount of the grant) from the amount shown in box O of your RL-1 slip:

- expenses incurred in 2004, after you obtained confirmation that you would receive the grant;
- expenses incurred in 2005; and
- expenses incurred in 2006.

These expenses must have been incurred to carry out the research concerned and must not have been used to reduce the amount of a research grant received for a year other than 2005. Enclose a detailed statement of these expenses with your income tax return.

Do not subtract from the amount of the grant your personal expenses or basic living expenses (except travel expenses, which include expenses for meals and accommodation), expenses for which you were reimbursed, or expenses that you are deducting elsewhere in your return.

If, in 2005, you incurred expenses respecting a grant that was included in your income for 2004, you may deduct these expenses from your income for 2004, as long as you do not use them to reduce the amount of a grant received in 2005. In this case, complete form TP-1012.B-V, *Carry-Back of a Deduction or Tax Credit*, and file it **separately** from your return.

4. Refund of unused RRSP contributions

If, in 2005, you received a refund of contributions that you previously made to your registered retirement savings plan (RRSP) or to a spousal RRSP, enter the amount indicated in this respect in box C or F of your RL-2 slip. This amount may entitle you to a deduction on line 250.

5. Recovery of a deduction for contributions to a spousal RRSP

If your spouse received amounts in 2005 from his or her registered retirement savings plan (RRSP) or registered retirement income fund (RRIF), and you contributed or transferred amounts after 2002 to a spousal RRSP, complete form TP-931.1-V, *Amounts from a Spousal RRSP or RRIF*.

6. Other income (box C of the RL-2 slip)

Enter the amount from box C of your RL-2 slip, unless you have already reported it on line 119. If the note "Single payment accrued to December 31, 1971" (or "Paiement unique accumulé au 31 décembre 1971") appears in the centre of the RL-2 slip, see the instructions for line 402.

If the note "Special tax deducted at source" (or "Impôt spécial retenu") appears in the centre of the RL-2 slip, you must pay a special tax. Enter on line 443 the amount that is shown in the centre of the RL-2 slip. You may, under certain conditions, be entitled to a tax credit. For further information, see point 19 in the instructions for line 462.

7. Other income (boxes D, E, G, H and K of the RL-2 slip)

Enter the amount from box D, E, G, H or K of your RL-2 slip; however, do not enter the amount from box K if you indicated it on line 122.

8. Other income (boxes B and G of the RL-16 slip)

Enter the amount of your other income from a trust, that is, the amount from box B of your RL-16 slip, or the amount from box G of your RL-16 slip if you have not already indicated it on line 130.

9. Amounts withdrawn from an RRSP under the HBP or the LLP

Non-resident on December 31, 2005

If you withdrew certain amounts from a registered retirement savings plan (RRSP) under the Home Buyers' Plan (HBP) or the Lifelong Learning Plan (LLP) and you ceased to be resident in Canada in 2005, **contact**

Revenu Québec to find out the amount to be included in your income.

Home Buyers' Plan (HBP)

If, under the HBP, you withdrew amounts from two or more of your RRSPs, and the total of the amounts shown in box O of your RL-2 slips exceeds \$20,000, enter the excess amount.

Lifelong Learning Plan (LLP)

If, under the LLP, you withdrew amounts from two or more of your RRSPs, and the total of the amounts shown in box L of your RL-2 slips exceeds \$10,000, enter the excess amount.

10. Amounts not repaid under the HBP or the LLP

Home Buyers' Plan (HBP)

If you withdrew amounts from your registered retirement savings plan (RRSP) before January 1, 2004, under the HBP, enter the amount shown on line 16 of form TP-935.3-V, *Repayment of RRSP Funds Withdrawn Under the Home Buyers' Plan or the Lifelong Learning Plan*. If you did not designate an amount as a repayment for the year, enter the amount shown on your notice of assessment or reassessment, or on the statement of account that you received from the federal government informing you of the amount you were required to repay under the HBP before March 1, 2006.

If you made payments to your RRSP after December 31, 2004, but before March 1, 2006, see the instructions for line 214.

Lifelong Learning Plan (LLP)

If you withdrew amounts from your RRSP under the LLP, enter the amount shown on line 16 of form TP-935.3-V, *Repayment of RRSP Funds Withdrawn Under the Home Buyers' Plan or the Lifelong Learning Plan*. If you did not designate an amount as a repayment for the year, enter the amount shown on the notice of assessment or reassessment that you received from the federal government informing you of the amount you were required to repay under the LLP before March 1, 2006.

11. Recovery of resource deductions

Enter any negative balance respecting the cumulative Canadian exploration or development expenses (related to mining, oil or gas) that are covered in boxes A, B and D of the RL-11 slip or in boxes 60, 61 and 62 of the RL-15 slip.

12. Recovery of QSSP deductions

If, in 2005, you withdrew shares or securities from a Québec stock savings plan (QSSP), you may be required to include in your income the amount recovered with respect to the QSSP deductions you obtained for 2003 and 2004. To find out whether you are required to include an amount in your income, complete Part B of Schedule D.

13. Recovery of deductions for the purchase of tools

If, in 2005, you disposed of tools respecting which, as an apprentice mechanic, apprentice automotive painter or apprentice auto body repairer, you claimed a deduction for the purchase of tools in the year or in a previous year, you may be required to include an amount in your income. To find out whether you are required to do so, complete form TP-78-V, *Expenses Respecting Instruments or Tools*.

164 Business income

If you carried on a business in 2005, use Schedule L to report your gross income and your net income (or net loss), calculated according to the **accrual method**. However, if you are a farmer, a fisher or a person remunerated on a commission basis, you may use the **cash method** to calculate net income.

You must enclose with your income tax return your financial statements or form TP-80-V, *Income and Expenses Relating to a Business or Profession*. If you carried on more than one business, you must submit a separate form or separate statements for **each** of the businesses. If your income was derived from farming or fishing, enclose your financial statements and, if applicable, your RL-21 slip.

Fiscal period

All sole proprietorships and partnerships are required to report income on the basis of a fiscal period ending on December 31 **or** on a date other than December 31. In the latter case, the business must add to its income the estimated income for the period between the end-date of the fiscal period and January 1 of the following year. To calculate this estimated income, complete form TP-80.1-V, *Calculation of Business or Professional Income, Adjusted to December 31*.

Revocation of an election to end your fiscal period on a date other than December 31

If your fiscal period ended on a date other than December 31, 2005, but you have elected to adopt an end-date of December 31, you are required to submit two financial statements (or two copies of form TP-80-V), one for the fiscal period ended before December 31, 2005, and the other for the fiscal period ended on December 31, 2005.

To make an election to have your fiscal year-end changed to December 31, complete form TP-80.1-V, *Calculation of Business or Professional Income, Adjusted to December 31*. Once you have adopted December 31 as your fiscal year-end, you cannot revert to a fiscal period ending on a date other than December 31.

If you carried on a business in 2004 and elected to have your fiscal period end in 2005, you may revoke your election. To do so, complete form TP-80.1-V, *Calculation of Business or Professional Income, Adjusted to December 31*.

For further information, consult the brochure *Business and Professional Income* (IN-155-V).

New business

If you began to carry on a business in 2005, your first fiscal period may end in 2006. In that case, you may include an amount as estimated income in your business income for 2005. To do so, complete form TP-80.1-V, *Calculation of Business or Professional Income, Adjusted to December 31*.

Loss related to a business

If your business sustained a loss, **enter the amount of the loss in brackets** on the appropriate line of Schedule L. As a rule, if this amount exceeds the total of your income from other sources, you may use the excess amount to reduce your income for the three previous years or (in most cases) your income for the ten subsequent years. If you wish to use a loss to reduce your income from previous years, complete form TP-1012.A-V, *Carry-Back of a Loss*, and file it **separately** from your return.

Farmers, fishers, and persons remunerated on a commission basis (lines 24 and 26 of Schedule L)

If you sustained a farm loss, contact Revenu Québec to find out the rules applicable to the calculation of such a loss.

End-of-career allowance received by a physician (line 28 of Schedule L)

If you are a physician, received an allowance as part of a program providing end-of-career allowances to physicians, and did not practise your profession in 2005 as a self-employed person, enter the amount of the allowance on line 28 of Schedule L. If you received the allowance as a salaried physician, enter the amount of the allowance on line 154.

Member of a partnership

If you were a member of a partnership, enter the partnership's gross income and your share of the net income (or of the net loss), and enclose your RL-15 slip with your return. If you did not receive an RL-15 slip, enclose a copy of the partnership's financial statements or form TP-80-V, *Income and Expenses Relating to a Business or Profession*. If you were a specified member of a partnership, see "Income from a partnership of which you were a specified member" below.

Income from a partnership of which you had ceased to be a member (line 28 of Schedule L)

Enter the share of a partnership's income or losses that the partnership allocated to you, as a retiring partner, for the period in which you were not a member of the partnership, or allocated to you as the surviving spouse of a deceased member of the partnership (provided you were not a member or employee of the partnership and did not carry out any activities on behalf of the partnership). This amount may be shown in the centre of your RL-15 slip, after the note "Business income respecting a partner's withdrawal" (or "Revenu d'entreprise résultant du retrait d'un associé").

Income from a partnership of which you were a specified member (line 29 of Schedule L)

Enter your share of the income or losses of a partnership of which you were a specified member. This amount is indicated in box 1 of your RL-15 slip if the code "0" or "1" appears in box 40 of the slip. Enclose the RL-15 slip with your return.

If, on line 29, you entered a loss from a partnership of which you were a specified member, **see the instructions for line 260 and complete Schedule N**.

If you did not receive an RL-15 slip, enclose a copy of the partnership's financial statements. Enter your share of the partnership's income, excluding any amounts you can report elsewhere in your income tax return.

Specified member

As a rule, a limited partner, or a partner who is not actively engaged in the operation of the business carried on by the partnership or in the operation of a similar business (silent partner).

Foreign business income

You must report your foreign business income, including income allocated to you by a trust and indicated in box E of your RL-16 slip. The amount of your foreign business income must be expressed in Canadian dollars.

Disposition of incorporeal capital property

If you disposed of incorporeal capital property (goodwill, a trademark, your list of customers, a farm quota, etc.), the gain realized on the eligible incorporeal capital amount constitutes business income. If the property disposed of was qualified farm property or qualified fishing property, you may be entitled a deduction for the gain. See the instructions for line 292.

Special case

If you disposed of incorporeal capital property, you may under certain conditions consider the gain realized on the property to be a capital gain. For further information, consult the brochure *Capital Gains and Losses* (IN-120-V).

Amounts received under a disaster relief program

If you received financial assistance under a disaster relief program, consult the brochure *The Tax Effects of Amounts Received Under a Disaster Relief Program* (IN-125-V).

Payments from the government

If you received an RL-27 slip, the amounts indicated on this slip must be included in the calculation of your business income.

Do not enclose the RL-27 slip with your return, but keep it in case Revenu Québec asks you for it.

Income-averaging measure for owners of woodlots affected by the ice storm

If you requested that your income from the sale of timber for taxation year 2001 or 2002 be averaged, the amount deducted must be added to your income not later than the fourth year following the year in which income was averaged. For further information, consult the brochure *Business and Professional Income* (IN-155-V).

RL-22 slip

If you received an RL-22 slip for 2005, enter the amount from box A of the slip on line 105 of your income tax return, in order to take into account the value of all coverage you received under certain insurance plans.

Professional dues

You cannot take into account professional dues, dues paid to a recognized artistic association, and the contribution paid to the Office des professions du Québec in the calculation of your business income. However, these amounts entitle you to a tax credit. See the instructions for line 373.

Filing date

If you or your spouse is reporting business income, you have until June 15, 2006, to file your 2005 income tax return; no late-filing penalty is imposed with respect to returns filed by this date. However, if you decide to take advantage of the extension but have a balance owing on April 30, 2006, you should note that interest will be calculated on this balance as of May 1, 2006.

The filing deadline cannot be extended if the only income you are reporting is

- income from a business carried on by a partnership of which you were a specified member (line 29 of Schedule L); or
- income allocated by a partnership to a retiring partner and an end-of-career allowance received by a physician who did not practise in 2005 (line 28 of Schedule L).

Nor can the filing deadline be extended if the expenditures you incurred in carrying on your business relate principally to tax shelters.

You may avoid interest charges on any balance you owe by making your payment at the Revenu Québec office in your area by April 30, 2006. If you make your payment at a financial institution or mail your payment to Revenu Québec, you must enclose a duly completed copy of form TPF-1026.0.1-V, *Remittance Slip*, with, if applicable, your cheque or money order.

Labour costs

If you incurred labour costs (other than salaries and wages paid to your employees), you must provide the names of the persons who carried out the work

- in order to maintain, repair or renovate an immovable that you owned and from which you derived rental income;
- in order to maintain, repair or renovate commercial premises of which you were the tenant; or
- in order to maintain land from which you derived rental income.

If you do not provide this information, you are liable to a penalty. Complete form TP-1086.R.23.12-V, *Statement of Costs Incurred Respecting Work Carried Out on an Immovable*.

Copyright income

If your total income from copyrights or public lending rights was less than \$60,000, and you are the first owner of these rights, you may deduct an amount respecting this income on line 297. See the instructions for line 297.

Investments entitling you to certain tax benefits

If you invested in a business, enter your share of the income or losses resulting from your investment.

Do not include on line 164

- the portion of the capital cost allowance that creates or increases a loss with respect to certain films (line 250);
- any deduction for exploration and development expenses (line 241);
- any deduction for Québec resources (lines 250 and 287);
- capital cost allowance with respect to certain certified Québec films or the additional deduction for such films (line 287);
- the additional deduction for certain expenditures related to scientific research and experimental development (line 287);
- share and security issue expenses that relate to Québec resources and that were waived in your favour (line 297).

If you invested in a tax shelter after May 31, 1990, and wish to claim a deduction or a loss respecting the tax shelter, you must enclose a copy of form TP-1079.6-V, *Statement of Losses and Deductions Respecting a Tax Shelter*. Contact Revenu Québec for the definition of "tax shelter" under the *Taxation Act*.

Interest paid after you ceased to carry on a business

Within certain limits, you may deduct all or a portion of the interest you paid, after ceasing to carry on a business, on loans that you took out in order to earn income from the business. Contact Revenu Québec to determine the deduction to which you are entitled.

For further information, consult the brochure *Business and Professional Income* (IN-155-V).

205 Registered pension plan deduction

The deduction you claim for contributions you made to a registered pension plan (RPP) for current service or for past service after 1989 cannot exceed the deduction allowed in this respect on line 207 of your federal income tax return for 2005.

If you did not make contributions to an RPP for service before 1990 and did not make contributions under a retirement compensation arrangement (see the instructions for line 207), the amount you enter on line 205 should correspond to the amount shown in box D of your RL-1 slip. If an amount is shown in the centre of the RL-1 slip after the note "Contributions for service before 1990, included in box D" (or "Cotisations pour services rendus avant 1990 incluses à la case D"), contact Revenu Québec to find out how to calculate the deduction to which you are entitled.

Transfer to an RPP

If the amount you entered on line 207 of your federal income tax return includes amounts transferred to an RPP (such as a retiring allowance), do not take such transfers into account on line 205. Enter them on line 250 instead.

207 Employment expenses and deductions

If the employment you held in 2005 entitles you to a deduction for certain expenses or an employment-related deduction, enter the amount of the deduction on line 207. In box 206, enter the number in the list below that applies to you. If more than one category applies to you, enter "22" in box 206.

- 01 Expenses as a forestry worker
- 02 Expenses as an employee of a transport business or an employee whose duties consist in transporting merchandise
- 03 Expenses as a salaried musician
- 04 Residence deduction for a member of the clergy or a religious order
- 05 Expenses as an employee remunerated on a commission basis
- 06 Expenses as an apprentice mechanic, apprentice automotive painter or apprentice auto body repairer
- 07 Expenses as an employee required to pay certain expenses
- 08 Deduction for professional liability insurance
- 09 Deduction for legal fees
- 12 Deduction for a repayment of salary, wages or wage loss replacement benefits
- 13 Other employment-related expenses or deductions

If you are self-employed, see the instructions for line 164.

You may deduct certain expenses related to your employment, provided you have not deducted them elsewhere in your return, they were not refunded to you, and they are not refundable.

Please note that most employees cannot claim employment expenses. For example, you cannot deduct expenses for travel between your home and your employer's place of business, expenses for parking at your employer's place of business, or other expenses such as clothing.

1. Expenses as a forestry worker

You may deduct expenses related to the use of a chain saw or a brush cutter in carrying out your duties, if your employment contract requires you to provide these tools and pay these expenses.

Forms to be enclosed with your return

- *Expenses Respecting Instruments or Tools* (TP-78-V)
- *General Employment Conditions* (TP-64.3-V), as well as *Employment Expenses* (TP-59-V) or a detailed statement of your expenses if you incurred other expenses in the course of your employment duties

2. Expenses as an employee of a transport business or an employee whose duties consist in transporting merchandise

If you are an employee of a business that provides **transport by air, train or bus**, or if you regularly collect or deliver merchandise for your employer, you may under certain conditions deduct the cost of your meals and accommodation.

Form to be enclosed with your return

- *Expenses for Meals and Accommodation* (TP-66-V)

3. Expenses as a salaried musician

You may deduct the expenses related to the use of a musical instrument if you are required to provide your own instrument during a period of the year. The deduction claimed for these expenses cannot exceed the income you earned from your employment as a musician in 2005.

Forms to be enclosed with your return

- *Expenses Respecting Instruments or Tools* (TP-78-V)
- *General Employment Conditions* (TP-64.3-V), as well as *Employment Expenses* (TP-59-V) or a detailed statement of your expenses if you incurred other expenses in the course of your employment duties

4. Residence deduction for a member of the clergy or a religious order

You may claim the deduction to which you are entitled as a member of the clergy or a religious order for the residence or lodgings in which you lived in 2005. To claim the deduction, complete form TP-76-V, *Deduction for a Member of the Clergy or a Religious Order*.

5. Expenses as an employee remunerated on a commission basis

If, in 2005, you were an employee engaged in selling property or negotiating contracts for your employer, the amount you deduct for certain employment expenses cannot exceed the amount of commissions that you received with respect to this employment (box M of your RL-1 slip).

However, the deduction of the following expenses is not limited to the amount of your commissions:

- office rent, certain expenses incurred to maintain an office in your home, supplies used in the course of employment duties, wages paid to an assistant, capital cost allowance respecting your automobile, and interest paid on a loan taken out to purchase your automobile;
- travel expenses (expenses for meals, accommodation and transportation), unless you deduct expenses other than those listed in the previous point.

For each job for which you were remunerated on a commission basis, you must reduce the expenses that are limited to the amount of your commissions by the **lowest** of the following amounts:

- the amount of the expenses;
- 6% of the amount in box M of your RL-1 slip; or
- \$750.

If you held two or more jobs for which you were remunerated on a commission basis, the total reduction is limited to \$750.

Forms to be enclosed with your return

- *General Employment Conditions* (TP-64.3-V)
- *Employment Expenses* (TP-59-V) or a detailed statement of your expenses
- *Motor Vehicle Leasing Expenses* (TP-421.6-V), if you are deducting such expenses

6. Expenses as an apprentice mechanic, apprentice automotive painter or apprentice auto body repairer

You may claim a deduction for the purchase of tools if you are an apprentice holding an apprenticeship card issued by an automobile parity committee which leads to certification as a mechanic, automotive painter or auto body repairer licensed to repair self-propelled motorized vehicles (automobiles, trucks, motorcycles, snowmobiles, boats, aircraft, etc.) or an apprentice registered in a program leading to certification as a mechanic, automotive painter or auto body repairer licensed to repair self-propelled motorized vehicles. To claim the deduction, complete form TP-78-V, *Expenses Respecting Instruments or Tools*.

7. Expenses as an employee required to pay certain expenses

You may deduct the expenses incurred in the course of your duties if you are required to pay certain expenses under the terms of your employment contract. If you are an employee remunerated on a commission basis, see point 5 above.

Forms to be enclosed with your return

- *General Employment Conditions* (TP-64.3-V)
- *Employment Expenses* (TP-59-V) or a detailed statement of your expenses
- *Motor Vehicle Leasing Expenses* (TP-421.6-V), if you are deducting such expenses

8. Deduction for professional liability insurance

You may deduct the premium paid for professional liability insurance **required** to maintain your professional status.

9. Deduction for legal fees

You may deduct the legal fees you paid in 2005 to collect a salary, wages or wage loss replacement benefits (where your employer contributed to the wage loss replacement plan), or to establish your entitlement to the salary, wages or benefits. You may deduct these expenses only if it has been determined that an amount is owed to you.

12. Deduction for a repayment of salary, wages or wage loss replacement benefits

You may deduct from your income the amounts included in your income for a previous year, provided you meet the following conditions:

- You received these amounts for a period in which you were not carrying out your employment duties.

- You were required to repay these amounts in 2005 to your employer or former employer, or to the insurer of your wage loss replacement plan under the terms of an agreement.

You may also deduct the amounts that were paid to you as top-up disability payments and that were repaid to your employer or former employer, provided you included these amounts in your income.

To claim this deduction, enter the amount shown in the centre of your RL-1 slip after the note "Repayment of salaries or wages" (or "Remboursement de salaire"), or enclose with your return the confirmation provided to you by the insurer of your wage loss replacement plan.

If the amount entered as a repayment of salaries, wages or wage loss replacement benefits is higher than your total income from all sources, you may use the excess amount to reduce your income for the three previous years or for the ten subsequent years. If you wish to reduce your income for previous years, complete form TP-1012.A-V, *Carry-Back of a Loss*, and file it **separately** from your return.

At your request, the Minister of Revenue may under certain conditions authorize you to use the excess amount to reduce your income for the year in which the amount you repaid was included in your income, even if that year is more than three years before the year of the repayment. For further information, contact Revenu Québec.

Special case

If, in 2005, you repaid an amount with respect to a salary, wages or wage loss replacement benefits included in your income for a previous year and you deducted this income in calculating your taxable income (line 293 or 297) for the previous year in question, **also** enter the amount on line 276.

13. Other employment-related expenses or deductions

These expenses include

- (a) contributions you made under a retirement compensation arrangement. You may deduct the amount shown in the centre of your RL-1 slip after the note "Box D – Retirement compensation arrangement" (or "Case D : convention de retraite");
- (b) allocations that were cancelled when you ceased to be a beneficiary under a profit-sharing plan. This amount is shown in box E of your RL-25 slip.

For information on what expenses are deductible and what requirements must be met in order to claim the expenses, consult the brochure *Employment Expenses* (IN-118-V).

214 RRSP deduction

The amount you may claim for contributions to your registered retirement savings plan (RRSP) or to a spousal RRSP corresponds to the RRSP deduction allowed on line 208 of your federal income tax return for 2005.

Do not enclose your receipts with your return, but keep them in case Revenu Québec asks you for them.

Transfer to an RRSP

If the amount you entered on line 208 of your federal income tax return includes amounts transferred to an RRSP, do not take such transfers into account on line 214. Enter them on line 250 instead.

Repayment of amounts withdrawn from an RRSP under the Home Buyers' Plan (line 212)

If you made RRSP contributions during the period from January 1, 2005, to March 1, 2006, but withdrew amounts from an RRSP before that period under the Home Buyers' Plan (HBP), you may designate an amount as a repayment on line 212. To make such a designation, complete form TP-935.3-V, *Repayment of RRSP Funds Withdrawn Under the Home Buyers' Plan or the Lifelong Learning Plan*, and enclose it with your income tax return.

Please note, however, that the amount you designate must not have been deducted on line 214 or 250 of your 2004 or 2005 return.

Repayment of amounts withdrawn from an RRSP under the Lifelong Learning Plan (line 212)

If you made RRSP contributions during the period from January 1, 2005, to March 1, 2006, but withdrew amounts from an RRSP before that period under the Lifelong Learning Plan (LLP), you may designate an amount as a repayment on line 212. To make such a designation, complete form TP-935.3-V, *Repayment of RRSP Funds Withdrawn Under the Home Buyers' Plan or the Lifelong Learning Plan*, and enclose it with your income tax return.

Please note, however, that the amount you designate must not have been deducted on line 214 or 250 of your 2004 or 2005 return.

225 Support payments made (deductible amount)

Under certain conditions, you may deduct the support payments you made in 2005 as an allowance payable periodically further to a written agreement or a judgment, where you made the payments to your spouse or former spouse, the mother or father of your child, or a third party, for the benefit of the child, your spouse or former spouse, or the mother or father of the child.

You are not entitled to a deduction if you were living with the recipient at the time the payments were made. If you are covered by the measures under which child support is non-taxable for the recipient and non-deductible for the payer, see "Tax treatment of child support" below and **complete work chart 225**.

Tax treatment of child support

In general, child support paid under a written agreement entered into or a judgment rendered after April 30, 1997, cannot be deducted by the person who made the payments and does not have to be included in the income of the person who received the payments. These measures came into effect on May 1, 1997.

Child support

Any support payment that is not intended solely for the benefit of the payer's spouse or former spouse or solely for the benefit of the parent of a child of whom the payer is also the parent.

For further information, consult the brochure *The Tax Effects of Separation and Divorce* (IN-128-V).

Written agreement entered into or judgment rendered after April 30, 1997

As a rule, child support paid under a written agreement entered into or a judgment rendered after April 30, 1997, is not deductible.

Written agreement entered into or judgment rendered before May 1, 1997

You may deduct the payments made for the benefit of a child under a written agreement entered into or a judgment rendered before May 1, 1997. However, such payments are not deductible in the following situations:

- The agreement or judgment stipulates that payments for the benefit of a child made as of a certain date (which must be after April 30, 1997) will not be deductible for you.
- The agreement or judgment was varied after April 30, 1997, in order to increase or decrease the amount of support for the benefit of a child. The payments made further to such a change are not deductible.
- You and the recipient (spouse, former spouse, or the mother or father of your child) made a joint election to have the measures under which child support is non-taxable for the recipient and non-deductible for the payer apply to you as of a certain date (which must be after April 30, 1997), and you submitted form TP-312-V, *Election Concerning Child Support*. The payments made for a period that began after the date indicated in the form are not deductible.

If, in accordance with the agreement or judgment, you paid a non-deductible amount as support for the benefit of a child and another amount as support for the benefit of your spouse or former spouse only, you can deduct the amount paid solely for the benefit of your spouse or former spouse only if you have paid an amount equal to the total amount that was to be paid for the benefit of the child.

Payments made under the support-payment collection system

If the support payments you made to Revenu Québec in 2005 are deductible, enter the total amount on line 225. However, if the amount you paid as support is non-deductible, complete work chart 225. See the section "Support-payment arrears" below if any portion of the payments you made constitutes arrears.

Use of support payments

If there were any restrictions on the use of the support payments you made to the recipient or to a third party (for the purpose of paying rent, property taxes, a mortgage, etc.) or on the use of the support payments collected by Revenu Québec on behalf of the recipient, you may not be entitled to deduct the amount of these payments from your income.

For further information, consult the brochure *The Tax Effects of Separation and Divorce* (IN-128-V).

Non-deductible support owing on December 31, 2004 (line 2 of work chart 225)

On line 2 of work chart 225, enter the amount of non-deductible support that you were required to pay for 1997 through 2004, but had not paid as of December 31, 2004. If you completed work chart 225 in 2004, enter the amount from line 5, if that amount is negative.

Carry-forward of non-deductible support (line 5 of work chart 225)

If the amount on line 5 of work chart 225 is negative, that is, if the amount of child support that you were required to pay is higher than the amount that you actually paid, you must take into account the difference in your 2006 income tax return.

Support-payment arrears

If you paid support-payment arrears that entitle you to a deduction, enter on line 225 the portion of the arrears applicable to 2005 and previous years. If the portion of the arrears applicable to previous years is \$300 or more, **also** enter that amount on line 277. Then complete form TP-766.2-V, *Averaging of a Retroactive Payment, Support-Payment Arrears or a Repayment of Support*, and **enclose** it with your return. Revenu Québec will calculate a **tax adjustment** which may reduce your income tax for the year.

Proofs of payment

Enclose proofs of payment with your income tax return (unless you made your payments to Revenu Québec). Also enclose a copy of the document under which you are required to make support payments, that is, the written agreement **or** judgment made or varied by a court in 2005.

228 Moving expenses

You may deduct your moving expenses if, in 2005, you moved in order to take up employment duties, carry on a business or practise a profession, and your new residence is at least 40 kilometres closer to your **new place of work** (even if your work was seasonal). Only expenses for moving from one location to another in **Canada** are deductible, unless they were incurred at a time when you were living outside Canada temporarily. If that is the case, contact Revenu Québec.

To find out the types of expenses you may claim, and to calculate the amount of the deduction, complete form TP-348-V, *Moving Expenses*. Enclose the form and your receipts with your income tax return.

The deduction you claim is limited to the net income that you earned in 2005, **after** your move, by performing your employment duties, carrying on your business or practising your profession.

Students

If you moved in 2005 in order to take up employment duties (including a summer job), carry on a business or practise a profession, you may deduct your moving expenses, in accordance with the rules outlined in the previous paragraphs.

However, if you moved in 2005 to be at least 40 kilometres closer to the institution at which you were enrolled full time in a post-secondary program, the deduction you may claim is limited to the net amount of the research grants you received (see point 3(j) in the instructions for line 154).

Expenses not deducted

If you moved after 1997 and you paid moving expenses in a year following the year of your move, you may deduct these expenses in the year of payment. You may also deduct the portion of the moving expenses that you could not deduct from your income for a previous year. However, if in a year before 2003 you could have deducted moving expenses but you filed your return under the simplified tax system, you cannot claim the expenses that you could have deducted had you filed your return under the general tax system.

To calculate the amount you can claim, complete form TP-348-V, *Moving Expenses*.

231 Carrying charges and interest expenses

If you are deducting carrying charges and interest expenses incurred to earn investment income, you may be required to adjust your investment expenses. **See the instructions for line 260 and complete Schedule N.**

Carrying charges

The expenses you may deduct include

- investment management or administration fees, including those you paid with respect to shares included in a Québec stock savings plan (QSSP) or an SME Growth Stock Plan, **except fees paid with respect to a registered retirement savings plan (RRSP) or a registered retirement income fund (RRIF)**;
- amounts paid for the safekeeping of your shares and securities;
- fees, other than commissions, paid to certain investment counsellors, **except fees paid with respect to an RRSP or a RRIF**;
- the amount indicated in the centre of your RL-1 slip, after the note "Benefit resulting from a debt contracted for the acquisition of investments" (or "Avantage découlant d'une dette contractée pour acquérir des placements").

Interest expenses

You may deduct the interest paid on loans you took out in order to earn investment income, in particular, to acquire

- bonds (include interest paid through payroll deductions);
- shares, including shares that are included in a QSSP or an SME Growth Stock Plan, up to the time these shares were transferred to an RRSP;
- shares in a Québec business investment company (QBIC), or preferred shares in a co-operative authorized to issue securities that qualify for the co-operative investment plan (CIP), up to the time these shares were transferred to an RRSP;
- an interest in a partnership of which you were a specified member;
- mutual fund units, up to the time these units were transferred to an RRSP.

You may also deduct, within certain limits, all or a portion of the interest paid, after the sale of investments, on loans you took out in order to acquire the investments. Contact Revenu Québec in order to determine the deduction to which you are entitled.

Keep your proofs of payment in case you are asked to submit them.

Insurance policy loan

You may deduct the interest you paid on a loan taken out on an insurance policy in order to acquire an investment from which you derived income. Have your insurer complete form TP-163.1-V, *Interest Paid on a Loan Taken Out on a Life Insurance Policy*, and enclose it with your income tax return.

Non-deductible expenses

The following expenses are not deductible:

- the rental charge for a safety deposit box;
- **commissions paid to a broker** on the purchase or sale of shares or mutual fund units (commissions paid on the purchase of securities are included in the cost of the securities, and commissions paid on the sale of securities are to be reported as expenses in Schedule G);

- interest paid on loans taken out in order to make contributions to a registered pension plan (RPP), a deferred profit-sharing plan (DPSP), an RRSP or a registered education savings plan (RESP);
- interest paid on loans taken out in order to purchase Capital régional et coopératif Desjardins shares, shares in the Fonds de solidarité des travailleurs du Québec (FTQ), or shares in the Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi (called "Fondaction");
- interest paid on loans taken out in order to acquire assets that were transferred to an RPP or an RRSP (the interest is non-deductible as of the date of the transfer);
- interest paid on loans taken out in order to repay amounts withdrawn from an RRSP under the Home Buyers' Plan (HBP) or the Lifelong Learning Plan (LLP);
- interest paid on loans taken out to acquire an income-averaging annuity for artists;
- management and administration fees, as well as fees paid to investment counsellors, if the fees were paid with respect to an RRSP or a RRIF;
- administration fees incurred for the purchase of Capital régional et coopératif Desjardins shares, shares in the Fonds de solidarité des travailleurs du Québec (FTQ), or shares in the Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi (called "Fondaction");
- the cost of purchasing specialized publications and journals.

234 Business investment loss

As a rule, if you sustained losses in 2005 on investments (shares or debt securities) in a Canadian-controlled private corporation (a corporation whose shares are not listed on a stock exchange), you may claim an amount as a business investment loss on line 234. To calculate the amount to which you are entitled, complete form TP-232.1-V, *Business Investment Loss*.

For further information, consult the brochure *Capital Gains and Losses* (IN-120-V).

Enter on line 233 of your income tax return the total losses you sustained. On line 234, enter the amount you may deduct for the losses.

If you were a member of a partnership, the total losses may be indicated in box 13 of your RL-15 slip.

If the amount reported as a business investment loss is higher than your total income, you may use the excess amount to reduce your income for the three previous years or for subsequent years. If you wish to use a loss to reduce your income from previous years, complete form TP-1012.A-V, *Carry-Back of a Loss*, and file it **separately** from your return.

236 Deduction for residents of designated remote areas

You may claim the deduction for residents of designated remote areas if you lived in a designated remote area for a period of at least six consecutive months that started or ended in 2005. The amount you may claim includes the housing deduction and the travel deduction (if you received taxable benefits respecting trips, as shown in box K of your RL-1 slip). If you claim a deduction for trips made to obtain medical services, you cannot take these expenses into account in the calculation of a credit elsewhere in your return.

To claim this deduction, complete form TP-350.1-V, *Calculation of the Deduction for Residents of Designated Remote Areas*, and enclose it with your return. The form is contained in the guide *Deduction for Residents of Designated Remote Areas* (TP-350.1.G-V).

241 Deduction for exploration and development expenses

You may deduct Canadian or foreign exploration or development expenses, or Canadian oil and gas property expenses. Enclose with your return your RL-11 slips, your RL-15 slips, or your T101 or T5013 slips.

Do not include on line 241

- the deduction for exploration expenses incurred in Québec, if it entitles you to the additional deduction for Québec resources (this amount is to be entered on line 250);
- the additional deduction for Québec resources (this amount is to be entered on line 287);
- share and security issue expenses relating to Québec resources and waived in your favour (this amount is to be entered on line 297).

If you are claiming a deduction for exploration or development expenses respecting flow-through shares issued under a receipt for a preliminary prospectus or an exemption from filing a prospectus for which the application was filed after March 11, 2005, **see the instructions for line 260 and complete Schedule N**.

250 Other deductions

Enter on line 250 the amount of the deduction or deductions to which you are entitled. In box 249, enter the number in the list below that corresponds to the deduction. If you are claiming more than one deduction, enter "77" in box 249.

- 01 Deduction for a repayment of amounts overpaid to you
- 02 Deductions for QPP contributions on income from self-employment
- 03 Deduction for a social benefits repayment
- 04 Deduction for amounts transferred to an RPP, an RRSP, a RRIF or an annuity
- 05 Deduction for an amount already included in income (RRSP or RRIF)
- 06 Deduction for a refund of unused RRSP contributions
- 07 Disability supports deduction
- 08 Deduction for legal fees
- 09 Deduction for exploration expenses incurred in Québec
- 10 Deduction for a training loan (SPRINT program)
- 11 Deduction for the purchase of an income-averaging annuity for artists
- 12 Deduction for a repayment of support
- 13 Other deductions

1. Deduction for a repayment of amounts overpaid to you

You may deduct the overpayments you were required to repay in 2005, provided they were included in your income for 2005 or a previous year. These amounts may pertain to

- the old age security pension;
- social assistance payments and any similar government financial assistance (such as financial assistance received under the "Solidarité jeunesse" project). The amount of the repayment is shown in box H of your RL-5 slip;
- employment assistance paid by the Ministère de l'Emploi et de la Solidarité sociale under the "Action emploi" program;
- financial assistance paid by the Ministère de l'Emploi et de la Solidarité sociale;
- net federal supplements (to be entered also on line 276 of your return), excluding repayments referred to in point 3 below;

- labour adjustment benefits;
- research grants;
- scholarships, bursaries or any similar financial assistance (to be entered also on line 276 of your return, but only if a deduction is being claimed on line 295, or was claimed on line 295 in a previous year);
- the Canada Education Savings Grant;
- income assistance payments;
- retiring allowances;
- employment insurance (EI) benefits (the amount repaid is shown on the T4E slip), excluding repayments referred to in point 3 below;
- Québec Pension Plan (QPP) or Canada Pension Plan (CPP) benefits;
- wages loss replacement benefits (also enter the amount on line 276).

Special case

If, in 2005, you repaid income replacement indemnities that you received in 2004, Revenu Québec will calculate a **tax adjustment** which may increase your refundable tax credits for the year.

Repayment of benefits

If, in 2005, you repaid amounts that you received in a previous year under the QPP, the CPP, the *Unemployment Insurance Act* or the *Employment Insurance Act*, see point 8 in the instructions for line 462.

If you repaid salaries, wages or wage loss replacement benefits in 2005, see the instructions for line 207.

2. Deductions for QPP contributions on income from self-employment

Self-employment

If you earned income from self-employment (line 164) and the amount you entered on line 98 is less than \$1,861.20, complete work chart 445 to determine the amount that you may enter on line 250. However, if the amount you entered on line 98 is \$1,861.20 or over, do not complete the work chart; simply enter \$1,861.20 on line 351.

Optional contributions on certain employment income

If, as an employee, you paid less than \$1,861.20 in Québec Pension Plan (QPP) contributions in 2005 and you wish to increase your QPP benefits, you may make additional contributions on all or a portion of the income that you reported on line 107, as well as on certain income that you reported on line 101 (see "Optional contributions to the QPP" in the instructions for line 101). If you choose to make additional contributions, complete work chart 445 in order to determine the amount you may deduct on line 250, and check box 444 on your return.

Reduction of maximum contribution

If you reached the age of 18 in 2005 or were entitled to a disability pension under the QPP or the Canada Pension Plan (CPP), contact Revenu Québec.

Special cases

If you are an Indian or a person of Indian ancestry (see the definition at line 293), take into account, on lines 1, 2 and 8 of work chart 445, only the income derived from work for which you cannot claim a deduction on line 293.

If you are self-employed and all of the income you derived from a business entitles you to a deduction on line 297 (points 7, 9, 10, 12 and 18), you cannot claim a deduction for the QPP contributions you must pay in relation to the business. If necessary, Revenu Québec will correct the amount you entered on line 250.

If, in 2005, you began to receive a retirement pension under the QPP or the CPP (line 119), or you reached 70 years of age and were not receiving a pension under the QPP or the CPP at that time, contact Revenu Québec.

3. Deduction for a social benefits repayment

You may deduct **the amount you are required to repay for 2005** with respect to employment insurance (EI) benefits, the old age security pension and net federal supplements (guaranteed income supplement or allowance).

Enter the amount you indicated on line 235 of your federal income tax return for 2005.

4. Deduction for amounts transferred to an RPP, an RRSP, a RRIF or an annuity

You may deduct the amounts that you transferred in 2005 or during the first 60 days of 2006 to a registered pension plan (RPP), a registered retirement savings plan (RRSP) or a registered retirement income fund (RRIF), or that you used to acquire an annuity. Enter the amount deducted in this respect on line 207, 208 or 232 of your federal income tax return for 2005. Enclose with your return the document attesting to the transfer.

5. Deduction for an amount already included in income (RRSP or RRIF)

You may, in your 2005 income tax return, deduct the amount included in your income for the year in which the trust governing your RRSP or your RRIF acquired a non-qualifying investment or used the property of your RRSP or your RRIF as a loan guarantee (or permitted the property to be used as such), provided the investment was disposed of in the year or the use of the property as a loan guarantee ended in the year. Enter the amount shown in box I of your RL-2 slip.

6. Deduction for a refund of undeducted RRSP contributions

You may deduct the amounts that were refunded to you with respect to undeducted contributions that you made after 1990 to your RRSP or to a spousal RRSP, where you included these amounts in your income for 2005. Enter the amount deducted in this respect on line 232 of your federal income tax return for 2005.

7. Disability supports deduction

Under certain conditions, you may deduct the disability supports expenses you paid in 2005, provided the goods and services concerned allowed you to carry out employment duties, actively carry on a business, do research for which you received a grant, or attend a designated educational institution or a secondary school. To find out whether you are entitled to this deduction and to determine the amount you may claim, complete form TP-358.0.1-V, *Disability Supports Deduction*.

You may also be entitled to the refundable tax credit for medical expenses. For further information, see point 1 in the instructions for line 462.

8. Deduction for legal fees

You may deduct the legal fees you paid with regard to

- the establishment of your initial right to receive support payments, the collection of these support payments or the review of your right to receive support payments;
- the establishment of your initial obligation to make support payments or the review of your obligation to make support payments.

However, in order to claim the above expenses, you must meet **all of the following conditions**:

- You paid the amounts with respect to support payments that you were required to include in your income on line 142 or that you were entitled to deduct on line 225, or with respect to support payments that are non-taxable for the recipient and non-deductible for the payer.
- You were not reimbursed for the expenses.
- You are not entitled to a reimbursement of the expenses.
- You did not deduct the expenses in your income tax return for a previous year.

Expenses paid to obtain a divorce decree or separation order are not deductible.

You may also deduct the following expenses:

- certain legal fees you paid after 1997 to recover a retiring allowance or a pension benefit or to establish your entitlement thereto, provided these expenses have not already been deducted. As a rule, the deduction you claim must not exceed the **total of the retiring allowances or pension benefits recovered after 1985** respecting which you paid legal fees. Moreover, the recovered amounts must have been included in your income for 2005 or a previous year and must not have been transferred to a registered pension plan (RPP) or a registered retirement savings plan (RRSP). Any undeducted portion of the expenses paid in a given year may be carried to the seven subsequent years;
- professional fees or expenses you paid in 2005 to prepare, file or pursue an objection or appeal respecting (among other things) income tax, interest or a penalty assessed under the *Taxation Act* or under a similar law of Canada or a province other than Québec.

9. Deduction for exploration expenses incurred in Québec

You may deduct an amount for exploration expenses (mining, oil and gas) incurred in Québec if the amount entitles you to the additional deduction for Québec resources (line 287). This amount is shown in box D of your RL-11 slip or boxes 32 and 62 of your RL-15 slip. Enclose these RL slips with your return.

10. Deduction for a training loan (SPRINT program)

You may deduct the payments you made in the year or in a previous year to reimburse a training loan you obtained under the subsidy and loan program for workers (SPRINT), **provided you have not already deducted these payments**. The total of these payments is shown in box B of your RL-20 slip.

11. Deduction for the purchase of an income-averaging annuity for artists

If you are an artist within the meaning of the *Act respecting the professional status of artists in the visual arts, arts and crafts and literature, and their contracts with promoters*, or within the meaning of the *Act respecting the professional status and conditions of engagement of performing, recording and film artists*, you may deduct the amount that you paid in 2005 or in the first 60 days of 2006 to purchase an income-averaging annuity. This amount cannot exceed the maximum deductible amount calculated below.

Enclose the documents attesting to the purchase of the income-averaging annuity.

12. Deduction for a repayment of support

You may deduct the support that you repaid if

- the amount was repaid in 2003, 2004 or 2005;
- the amount was repaid under a court order;
- the amount was not deducted in a previous year; and
- you included an equivalent amount as support in your income for the year or for a previous year.

If the portion of the repayment related to previous years is \$300 or more, **also** enter the amount of that portion on line 276. Check box 404 of your return. Complete form TP-766.2-V, *Averaging of a Retroactive Payment, Support-Payment Arrears or a Repayment of Support*, and **enclose** it with your return. Revenu Québec will calculate a **tax adjustment** which may reduce your income tax for the year.

13. Other deductions

You may deduct the following amounts:

- an advance on a life insurance policy that you repaid in 2005, where you included the amount of the advance in your income for the year or for a previous year. Enclose the documents attesting to the repayment;
- amounts that give entitlement to a deduction and that are not claimed elsewhere in your return.

252 Carry-over of the adjustment of investment expenses

If, in 2004, you entered an amount on line 260 or an amount on line 276 as an adjustment of other investment expenses, you may use the unused portion of the amount of the adjustment of investment expenses for 2004 to reduce **your net investment income** for 2005. To calculate your net investment income for 2005, complete Schedule N. Subtract the amount of your investment income (line 36 of Schedule N) from the amounts on lines 18 and 54.

Maximum deductible amount

Income from artistic activities				1		
	2	50,000	00			
Deduction for copyright income (line 297, point 16)	+	3				
Add lines 2 and 3.	=	4		▶	4	
Subtract line 4 from line 1. If the result is negative, enter 0.				=	5	

Unused portion

The unused portion of the amount of the adjustment of investment expenses for 2004 is equal to the total of lines 40 and 64 in Schedule N of your 2004 return, minus the amount carried back to the three previous years.

260 Adjustment of investment expenses

The investment expenses you deduct cannot exceed your investment income. **Complete Schedule N** to calculate, where applicable, the amount to be entered on line 260 of your return, if you are claiming one or more of the following deductions:

- a deduction for a loss from a partnership of which you were a specified member (line 29 of Schedule L);
- a deduction for carrying charges and interest expenses (line 231 of your return);
- a deduction for exploration or development expenses respecting flow-through shares issued under a preliminary prospectus or an exemption from filing a prospectus, where the application was filed after March 11, 2005 (line 241 of your return);
- a deduction for **other expenses** incurred to earn property income:
 - reimbursement of interest received,
 - deduction for certain films (line 250 of your return),
 - deduction for foreign income tax on income from property other than rental property (line 250 of your return),
 - life insurance premiums deducted from annuity payments.

Taxable capital gains (line 34 of Schedule N)

Enter the amount from line 139 of your return, unless you disposed of property that entitles you to the capital gains deduction (line 292) and had not used up the \$500,000 capital gains deduction before 2005. In this case, contact Revenu Québec.

Carry-over of the adjustment of investment expenses

If you entered an amount on line 260, or if you entered an amount on line 276 as an adjustment of other investment expenses, you may use an amount to reduce your net investment income for the three previous years or for subsequent years. To calculate your net investment income for a year, complete Schedule N to determine your investment income (lines 20 to 34), then subtract your investment expenses (lines 10 to 16, 50 and 52). If you wish to reduce your net investment income for previous years, complete form TP-1012.B-V, *Carry-Back of a Deduction or Tax Credit*, and file it **separately** from your return.

276 Adjustment of deductions

Repayment of social assistance payments or any similar financial assistance

Enter on line 276 the amount shown in box I of your RL-5 slip if, on line 250, you are taking into account the amount shown in box H of your RL-5 slip.

Repayment of net federal supplements or income replacement indemnities

If, in 2005, you repaid an amount received as net federal supplements (guaranteed income supplement or allowance) or as income replacement indemnities, and you are deducting the repayment on line 250 (point 1), also enter the amount of the repayment on line 276.

Repayment of a scholarship, bursary or any similar financial assistance

If, in 2005, you repaid a scholarship, bursary or any similar financial assistance for which you are claiming (or previously claimed) a deduction on line 295, and you are deducting the repayment on line 250 (point 1), also enter the amount of the repayment on line 276.

Repayment of support

If you are deducting an amount on line 250 (point 12) as a repayment of support, enter on line 276 the portion of the amount applicable to years before 2005, provided that portion is \$300 or more. Check box 404 of your return, and complete and **enclose** form TP-766.2-V, *Averaging of a Retroactive Payment, Support-Payment Arrears or a Repayment of Support*. Revenue Québec will calculate a **tax adjustment** which may reduce your income tax for the year.

Repayment of an amount included in your income for a previous year and deducted from your taxable income for that year

If, in 2005, you repaid an amount that was included in your income for a previous year, and you deducted this income in calculating your taxable income (line 293, 295 or 297) for that year, enter the amount on line 276.

Recovery of deductions for patronage dividends received from a co-operative

If, in 2005, you disposed of a preferred share in a co-operative for which you are claiming (or previously claimed) a deduction on line 297, enter on line 276 the amount of the deduction claimed for this share.

Adjustment of other investment expenses

The investment expenses you deduct cannot exceed your investment income. **Complete Schedule N** to calculate, where applicable, the amount to enter on line 276 of your return if you are claiming a deduction for

- a limited partnership loss (included on line 289 of your return);
- net capital losses from other years. Enter on line 52 of Schedule N the amount from line 290 of your return, unless you are claiming a net capital loss with regard to capital gains eligible for the capital gains deduction and did not use up the \$500,000 capital gains deduction before 2005. In that case, contact Revenu Québec.

Carry-over of the adjustment of other investment expenses

If you entered an amount on line 260, or on line 276 as an adjustment of other investment expenses, you may use an amount to reduce your net investment income for the three previous years or for subsequent years. To calculate your net investment income for a year, complete Schedule N to determine your investment income (lines 20 to 34). Then subtract your investment expenses (lines 10 to 16, 50 and 52). If you wish to reduce your net investment income from previous years, complete form TP-1012.B-V, *Carry-Back of a Deduction or Tax Credit*, and file it **separately** from your return.

Special case

If you entered "0" on line 275 solely because of the instruction "If the result is negative, enter 0," contact Revenu Québec to find out what rules apply to this situation.

277 Support-payment arrears

If you paid support-payment arrears that entitle you to a deduction, enter on line 277 the portion of the arrears applicable to years before 2005 (provided that portion is \$300 or more). Also complete form TP-766.2-V, *Averaging of a Retroactive Payment, Support-Payment Arrears or a Repayment of Support*, and **enclose** it with your return. Revenu Québec will calculate a **tax adjustment** which may reduce your income tax for the year.

287 Deduction for strategic investments

The deduction for strategic investments groups together deductions specific to the Québec taxation system. These deductions concern the following:

- the Québec stock savings plan (QSSP);
- the SME Growth Stock Plan;
- Québec business investment companies (QBICs);
- the co-operative investment plan (CIP);
- exploration respecting Québec resources;
- scientific research and experimental development (R&D).

QSSP deduction

If you were resident in Québec on December 31, 2005, and you purchased shares or securities in 2005 that you included in your stock savings plan (QSSP), **complete Part B of Schedule D** to calculate your deduction.

Deduction for an SME Growth Stock Plan

If you were resident in Québec on December 31, 2005, and you purchased shares or securities in 2005 that you included in your SME Growth Stock Plan, **complete Part C of Schedule D** to calculate your deduction.

Deduction for an investment in a QBIC

If you were resident in Québec on December 31, 2005, and you wish to claim the unused portion of your deductions, for years after 1999, respecting common shares with full voting rights in a Québec business investment company (QBIC), complete form TP-965.32-V, *Unused Portion of Deductions Respecting QBICs or the CIP*. Carry the amount of your deduction to line 80 of Schedule D.

Deduction for the CIP

If you were resident in Québec on December 31, 2005, and you purchased preferred shares in a co-operative or a federation of co-operatives authorized to issue securities that qualify for the co-operative investment plan (CIP), **complete Part D of Schedule D** to calculate your deduction. If you wish to claim the unused portion of your deductions for years after 1999, also complete form TP-965.32-V, *Unused Portion of Deductions Respecting QBICs or the CIP*.

The unused portion of the deduction respecting the CIP may be carried forward and claimed in any of the five subsequent taxation years.

Additional deduction for Québec resources

If you wish to claim an additional deduction for your investments in Québec resources, read the instructions on the back of your RL-11 and RL-15 slips to find out how to calculate this deduction. Enter the amount of the deduction on line 88 of Schedule D. Enclose your RL slips with your return.

Other deductions

You may deduct the following amounts:

- capital cost allowance with respect to certain certified Québec films and the additional deduction for such films;
- the portion of the deduction for an R&D venture capital corporation that you had not used by December 31, 2004, if you purchased shares in such a corporation in a previous year;
- the additional deduction for shares issued by an R&D venture capital corporation or by a corporation effecting a QSSP share issue, provided the funds raised as a result of the share issue were used to finance R&D projects. You may also claim the additional deduction if you were a shareholder in a QBIC at the time the QBIC made a qualified investment in order to fund R&D projects.

289 Non-capital losses from other years

You may deduct the following losses, provided you have not already deducted them:

- the non-capital losses you sustained from 1998 to 2004;
- the farm losses and restricted farm losses you sustained from 1995 to 2004;
- the limited partnership losses you sustained from 1986 to 2004.

Enclose with your return a note specifying the year in which you sustained the losses.

There may be a limit on the amount you are entitled to deduct for restricted farm losses and limited partnership losses. For further information, contact Revenu Québec.

If you are claiming a deduction for a limited partnership loss, **see the instructions for line 276 and complete Schedule N**.

290 Net capital losses from other years

If you are reporting a taxable capital gain on line 139, you may deduct the net capital losses you sustained before 2005 on the disposition of property (except personal-use property or precious property), provided you have not already deducted these losses. To claim the deduction, complete form TP-729-V, *Carry-Forward of Net Capital Losses*.

If you are deducting net capital losses from other years, **see the instructions for line 276 and complete Schedule N**.

292 Capital gains deduction

If you are reporting a taxable capital gain on line 139, you may be entitled to a capital gains deduction, provided

- you realized the gain on the disposition of qualified farm property, qualified fishing property, qualified small business corporation shares or certain resource property; and
- you were resident in Canada throughout 2005, or you were resident in Canada at some time in 2005 and were also resident in Canada throughout 2004 or expect to be resident in Canada throughout 2006.

To calculate the deduction to which you are entitled, complete form TP-726.7-V, *Capital Gains Deduction*.

Your capital gains deduction may be reduced by your cumulative net investment loss (CNIL) as at December 31, 2005. Your CNIL is the amount by which the investment expenses you incurred after 1987 exceed the investment income you earned after 1987. Complete form TP-726.6-V, *Cumulative Net Investment Loss*.

Disposition of certain resource property

If you realized a capital gain on the disposition of certain resource property acquired after May 14, 1992 (for example, a flow-through share, or an interest in a partnership that invested in flow-through shares or incurred resource expenses after May 14, 1992), you may be entitled to a deduction. To find out if you are entitled to a deduction and to calculate the amount, complete form TP-726.20.2-V, *Capital Gains Deduction Respecting Resource Property*. If you realized a capital gain on the disposition of resource property that constituted qualified farm property or qualified small business corporation shares, and you have not used up the \$500,000 capital gains deduction, complete instead form TP-726.7-V, *Capital Gains Deduction*.

Disposition of incorporeal capital property

If you have not used up the \$500,000 capital gains deduction, and you reported on line 24 of Schedule L a gain resulting from the disposition of incorporeal capital property that was qualified farm property or qualified fishing property, enter on line 86 of Schedule G the amount of the gain realized on the property (other than the recovery of annual deductions claimed for previous years). Also complete form TP-726.7-V, *Capital Gains Deduction*.

For further information on the capital gains deduction, consult the brochure *Capital Gains and Losses* (IN-120-V).

293 Deduction for an Indian or a person of Indian ancestry

If you are an Indian or a person of Indian ancestry, you may claim a deduction for your income situated on a reserve or premises. The amount deducted must not exceed your income from each income source situated on a reserve or premises. Such income includes your employment income situated on a reserve or premises, that is, the amount shown in the centre of your RL-1 slip, after the note "Box R – Income from an office or employment" (or "Case R : revenu de charge ou d'emploi"), **minus** any related deductions. It also includes your net business income.

If you entered an amount on line 148 or an amount received as a scholarship or bursary on line 154, this amount must be deducted on line 295 (rather than on line 293).

Indian

A person who is an Indian within the meaning of the *Indian Act* (Statutes of Canada), that is, an individual who is registered as an Indian with Indian and Northern Affairs Canada or is entitled to be so registered.

Person of Indian ancestry

A person whose mother or father is an Indian, provided the person normally lives on a reserve or holds an office or employment on a reserve.

295 Deduction for certain income

Deduction for certain benefits

If you received workers' compensation, indemnities further to a precautionary cessation of work, a traffic accident or an act of good citizenship or because you were the victim of a crime, or compensation for loss of financial support, carry this amount to line 295. You must also enter **an adjustment for income replacement indemnities on line 358**. See the instructions for line 358.

If you received federal supplements or other income replacement indemnities that are included on line 148, carry this amount to line 295.

Special case

If you deducted an amount as a social benefits repayment (line 250, point 3) and you received net federal supplements, enter on line 295 the amount of net federal supplements indicated on line 148, minus the amount of the repayment of net federal supplements shown on line 235 of your federal income tax return.

Deduction for scholarships, bursaries or any similar financial assistance

If you received a scholarship, bursary or any similar financial assistance that you are reporting on line 154 (point 1), carry this amount to line 295.

Amounts received under a registered education savings plan (RESP) do not give entitlement to this deduction.

Deduction for assistance received for the payment of tuition fees

If you received assistance for the payment of tuition fees that do not entitle you to an amount for tuition fees on line 384, and were required to include the assistance in your income, enter the amount of the assistance on line 295.

This amount may be indicated in a letter sent to you by the Ministère de l'Emploi et de la Solidarité sociale.

Deduction for split income of a child

If you were born after December 31, 1987, and you are required to pay a special tax (line 443) for 2005 on income derived from income-splitting, you may claim a deduction for the income subject to this tax. See the instructions for line 443.

297 Miscellaneous deductions

Enter on line 297 the amount of the deduction or deductions to which you are entitled. In box 296, enter the number in the list below that corresponds to the deduction. If you are claiming more than one deduction, enter "88" in box 296.

- 01 Deduction for a home-relocation loan
- 02 Security option deduction
- 03 Deduction for foreign researchers

- 04 Deduction for foreign experts
- 05 Deduction for foreign researchers on a post-doctoral internship
- 06 Deduction for foreign specialists
- 07 Deduction for foreign producers
- 08 Deduction for employment income earned on a vessel engaged in international freight transportation
- 09 Deduction for employees of a corporation or partnership operating an international financial centre (IFC)
- 10 Deduction for foreign specialists working in the Montréal international trade zone at Mirabel
- 11 Deduction for a member of a partnership operating an international financial centre (IFC)
- 12 Deduction for income exempt under a tax treaty
- 13 Deduction for share and security issue expenses related to Québec resources
- 14 Deduction for employees of certain international organizations
- 15 Deduction for employment income earned outside Canada (RL-17 slip)
- 16 Deduction for copyright income
- 17 Deduction for shares received in exchange for mining property
- 18 Deduction for foreign specialists working for a corporation operating a stock exchange business or a securities clearing-house business
- 19 Deduction for foreign professors
- 22 Deduction for patronage dividends received from a co-operative
- 23 Canadian Forces personnel and police deduction

If there is no indication on your RL-1 slip concerning the deductions listed in points 1, 3 to 6, 8, 19, 22 and 23, contact your employer.

1. Deduction for a home-relocation loan

Enter the amount shown in the centre of your RL-1 slip, after the note "Deduction for a home-relocation loan" (or "Déduction pour prêt à la réinstallation").

2. Security option deduction

Enter the amount shown in the centre of your RL-1 slip, after the note "Security option deduction" (or "Déduction pour option d'achat de titres").

Deferred taxation of the benefit from a security option

If you are reporting a taxable benefit on line 101 further to the sale of shares or mutual fund units, and you elected to defer taxation of the benefit until the year of sale of the securities, you may enter on line 297 an amount equal to 25% of the benefit included on line 101.

Stock option deduction for foreign specialists

You may enter an amount equal to the value of the benefit included on line 101 with respect to a stock option, if you meet the following three conditions:

- You held employment as a foreign specialist at an international financial centre, as a foreign specialist in the Montréal international trade zone at Mirabel for a corporation that carried on an eligible business, or as a foreign specialist working for a corporation operating a stock exchange business or a securities clearing-house business.
- During the period in which you were entitled to deduct your income from all sources, you acquired stock options further to an agreement with your employer (or former employer) or a person related to your employer (or former employer).
- You are no longer entitled to deduct your income from all sources (see points 9, 10 and 18 below).

Security option deduction (donated securities)

If you donated listed shares or mutual fund units to a charity or another qualified donee (except a private foundation), and you included in your income (line 101) a taxable benefit received when you exercised an option to purchase such securities after March 14, 2000, you may enter on line 297 an amount equal to 25% of the benefit included in this respect on line 101. If the fair market value of the shares or units at the time of the donation was less than their value at the time the option was exercised, contact Revenu Québec to determine the amount of the deduction.

3. Deduction for foreign researchers

Enter the result of the following calculation: **Add** the amounts of any deductions you are claiming on lines 105, 205 and 207 for income that gives entitlement to the deduction for foreign researchers. **Multiply** the total by the exemption rate shown in the centre of your RL-1 slip. **Subtract** the result from the amount shown in the centre of your RL-1 slip after the note "Deduction for foreign researchers" (or "Déduction pour chercheur étranger").

If you have not already submitted the certificate issued to your employer by the Ministère du Développement économique, de l'Innovation et de l'Exportation, enclose it with your return.

4. Deduction for foreign experts

Enter the result of the following calculation: **Add** the amounts of any deductions you are claiming on lines 105, 205 and 207 for income that gives entitlement to the deduction for foreign experts. **Multiply** the total by the exemption rate shown in the centre of your RL-1 slip. **Subtract** the result from the amount shown in the centre of your RL-1 slip after the note "Deduction for foreign experts" (or "Déduction pour expert étranger").

If you have not already submitted the certificate issued to your employer by the Ministère du Développement économique, de l'Innovation et de l'Exportation, enclose it with your return.

5. Deduction for foreign researchers on a post-doctoral internship

Enter the result of the following calculation: **Add** the amounts of any deductions you are claiming on lines 105, 205 and 207 for income that gives entitlement to the deduction for foreign researchers on a post-doctoral internship. **Multiply** the total by the exemption rate shown in the centre of your RL-1 slip. **Subtract** the result from the amount shown in the centre of your RL-1 slip after the note "Deduction for foreign researchers on a post-doctoral internship" (or "Déduction pour chercheur étranger en stage postdoctoral").

Enclose with your return the certificate issued to your employer by the Ministère de l'Éducation, du Loisir et du Sport.

6. Deduction for foreign specialists

Enter the result of the following calculation: **Add** the amounts of any deductions you are claiming on lines 105, 205 and 207 for income that gives entitlement to the deduction for foreign specialists. **Multiply** the total by the exemption rate shown in the centre of your RL-1 slip. **Subtract** the result from the amount shown in the centre of your RL-1 slip after the note "Deduction for foreign specialists" (or "Déduction pour spécialiste étranger").

Enclose with your return the certificate issued to your employer by Investissement Québec.

7. Deduction for foreign producers

If you were not resident in Canada in 2005, but you stayed in Québec for at least 183 days during the year, you may claim a deduction. The

deduction cannot exceed the remuneration that you received in 2005 as a foreign producer and included on line 101, **minus** any related deductions. If you were self-employed, the deduction cannot exceed the net business income you received as a foreign producer and included in your income.

If you stayed in Québec for fewer than 183 days, contact Revenu Québec.

Enclose with your return the certificate issued by the Société de développement des entreprises culturelles (SODEC), certifying that you worked on a qualified production.

8. Deduction for employment income earned on a vessel engaged in international freight transportation

If you earned employment income as a Québec sailor on a vessel engaged in international freight transportation that was operated by an eligible shipowner, you may be entitled to a deduction for the remuneration you received for 2005 from your employer. Enter the amount shown in the centre of your RL-1 slip, after the note "Remuneration received by a Québec sailor" (or "Rémunération reçue par un marin québécois").

Enclose with your return the eligibility certificate issued by the Ministère des Transports.

9. Deduction for employees of a corporation or partnership operating an international financial centre (IFC)

If you carried out duties as a foreign specialist, you may be entitled to a deduction. To calculate the amount of the deduction, multiply the income from all sources that you earned in 2005 during the period in which you worked for a corporation or partnership operating an IFC by the exemption rate shown in the centre of your RL-1 slip.

If, in 2005, you were an employee of a corporation or partnership operating an IFC and you held a certificate issued by the Ministère des Finances, you may claim a deduction for the remuneration you received for 2005 from your employer. To calculate the amount of the deduction, **subtract** from the remuneration the expenses incurred in the course of your employment duties to earn the remuneration (line 207), and multiply the result by the exemption rate of 37.5%. The deduction cannot exceed \$50,000. If you included a taxable benefit resulting from the exercise of security options on line 101, contact Revenu Québec.

Enclose with your return the certificate issued to your employer by the Ministère des Finances and the letter your employer provided to you regarding your employment with the IFC.

10. Deduction for foreign specialists working in the Montréal international trade zone at Mirabel

If you carried out duties as a foreign specialist, you may be entitled to deduct the income from all sources that you earned in 2005 during the period in which you worked in the Montréal international trade zone at Mirabel for a corporation carrying on an eligible business.

Enclose with your return the certificate issued to your employer by Investissement Québec and the letter your employer provided to you regarding your employment with an eligible business.

11. Deduction for a member of a partnership operating an international financial centre (IFC)

If, in 2005, you were a member of a partnership that operated an IFC in Québec, you may claim a deduction corresponding to your share of the net income from the operation of the IFC, multiplied by 22.50%.

12. Deduction for income exempt under a tax treaty

You may deduct the total of the amounts included in your income that are exempt from income tax under a tax treaty concluded between a foreign country and Québec or Canada. For example, you may deduct a pension from a foreign country if the tax treaty or agreement provides for this.

13. Deduction for share and security issue expenses related to Québec resources

You may deduct expenses incurred to issue shares or securities that relate to Québec resources if the expenses were waived in your favour. The amount of such expenses is shown in box H of your RL-11 slip or in box 65 of your RL-15 slip.

14. Deduction for employees of certain international organizations

If you were an employee of the United Nations or a specialized agency related to the United Nations in accordance with the Charter of the United Nations, you may deduct your employment income minus any related deductions. However, if you worked for an organization established in Québec, you may deduct the portion of income that relates to the employment duties you carried out in Québec only if the organization has concluded an agreement with the Québec government.

15. Deduction for employment income earned outside Canada

You may deduct the employment income you earned outside Canada while working for a specified employer. Enter the amount shown in box A of the RL-17 slip that you received from the employer. Enclose the RL-17 slip with your return.

If you worked consecutively for two or more specified employers, do an overall calculation to determine the amount of the deduction.

16. Deduction for copyright income

If you are an artist (within the meaning of the *Act respecting the professional status of artists in the visual arts, arts and crafts and literature, and their contracts with promoters*, or within the meaning of the *Act respecting the professional status and conditions of engagement of performing, recording and film artists*) or a performing artist, you may be entitled to a deduction, for the 2005 taxation year, for your income from copyrights (including public lending rights) of which you are the first owner.

You may claim this deduction if the total copyright income included in your business income or shown in box H of your RL-3 slip is less than \$60,000. In this case, complete work chart 297.

Copyright income

Income from copyrights and public lending rights included in an individual's income, **minus** the expenses incurred to **collect the income**.

NOTE

Copyright income includes income derived from a right conferred on a performing artist in connection with a performance, the performer's right to equitable remuneration for a sound recording and the right to remuneration for the reproduction of a sound recording for private use.

17. Deduction for shares received in exchange for mining property

If you disposed of shares that you received in exchange for mining property while you were a prospector, you may claim an amount equal to 50% of the amount included in your 2005 income in this respect.

18. Deduction for foreign specialists working for a corporation operating a stock exchange business or a securities clearing-house business

If you carried out duties as a foreign specialist, you may claim a deduction. To calculate the amount of the deduction, **multiply** the income from all sources that you earned in 2005 during the period in which you worked for a corporation operating a stock exchange business or a securities clearing-house business within the territory of the Ville de Montréal **by** the exemption rate shown in the centre of your RL-1 slip.

Enclose with your return the certificate issued to your employer by the Ministère des Finances and the letter your employer provided to you regarding your employment with the corporation.

19. Deduction for foreign professors

Enter the result of the following calculation: **Add** the amounts of any deductions you are claiming on lines 105, 205 and 207 for income that gives entitlement to the deduction for foreign professors. **Multiply** the total by the exemption rate shown in the centre of your RL-1 slip. **Subtract** the result from the amount shown in the centre of your RL-1 slip after the note "Deduction for foreign professors" (or "Dédution pour professeur étranger").

Enclose with your return the certificate issued to your employer by the Ministère de l'Éducation, du Loisir et du Sport.

22. Deduction for patronage dividends received from a co-operative

Enter the amount shown in the centre of your RL-1 slip, after the note "Deduction for patronage dividends" (or "Dédution pour ristournes").

If, in 2005, you were a member of a partnership that received patronage dividends in the form of preferred shares in an eligible co-operative, you may claim a deduction based on your interest in the partnership.

23. Canadian Forces personnel and police deduction

Enter the amount shown in the centre of your RL-1 slip, after the note "Deduction for Canadian Forces personnel" (or "Dédution pour le personnel des Forces canadiennes") or "Deduction for police officers" (or "Dédution pour le personnel des forces policières"), **minus** the amount you are deducting on line 205 for the income that gives entitlement to the Canadian Forces personnel and police deduction.

For further information on any of these deductions, contact Revenu Québec.

Non-refundable tax credits

You were not resident in Canada throughout the year

Certain amounts used to calculate your non-refundable tax credits must, as a rule, be reduced in proportion to the length of time you were resident in Canada in 2005. For further information, contact Revenu Québec.

351 QPP and CPP contributions

Enter on line 351 the amount shown on line 98. The maximum amount you may enter is \$1,861.20.

Self-employed person

To calculate the amount you may enter on line 351, complete work chart 445. However, if the amount you entered on line 98 is \$1,861.20 or over, do not complete the work chart; simply enter \$1,861.20 on line 351.

Optional contributions on certain employment income

If, as an employee, you paid less than \$1,861.20 in Québec Pension Plan (QPP) contributions in 2005 and you wish to increase your QPP benefits, you may under certain conditions make additional contributions on all or a portion of the income that you reported on line 107, as well as on certain income that you reported on line 101 (see "Optional contributions to the QPP" at line 101). If you choose to make additional contributions, complete work chart 445 and check box 444 of your return.

Reduction of maximum contribution

If you reached the age of 18 in 2005 or were entitled to a disability pension under the QPP or the CPP, contact Revenu Québec.

Overpayments

If the amount you entered on line 98 is over \$1,861.20, enter the excess amount on line 452.

You may have made an overpayment even if the total amount of your contributions is under \$1,861.20. If this is the case, Revenu Québec will calculate the amount overpaid and will take it into account on line 452.

Special cases

If you are an **Indian** or a **person of Indian ancestry** and you entered an amount on line 293, take into account, on lines 1, 2 and 8 of work chart 445, only income from work for which you did not claim a deduction on line 293.

If you paid QPP contributions respecting your employment, but you are not required to report **any of the income** from the employment or **all of the income** gives entitlement to a deduction on line 297 (point 3, 4, 5, 6, 7, 9, 10, 12, 14, 18, 19 or 23), Revenu Québec may adjust the amount you entered on line 351.

If you are self-employed, you cannot claim a tax credit for the contributions you are required to pay in relation to the operation of your business or the practice of your profession if **all of the income** you derived from the business or profession gives entitlement to a deduction on line 297 (point 7, 9, 10, 12 or 18). If necessary, Revenu Québec will adjust the amount you entered on line 351.

If you began to receive a retirement pension under the QPP or the CPP (line 119) in 2005, or you reached the age of 70 in 2005 and were not receiving a pension under the QPP or the CPP at that time, contact Revenu Québec.

352 Employment insurance premiums

Enter on line 352 the amount of your employment insurance (EI) premiums, which is shown in box C of your RL-1 slip (or on your T4 slip if you did not receive an RL-1 slip). The maximum amount you may enter is \$760.50.

If you were employed and **all of your employment income** entitles you to a deduction in the calculation of your taxable income on line 293 or line 297 (point 3, 4, 5, 6, 7, 9, 10, 12, 14, 18, 19 or 23), you cannot enter the EI premiums you paid with respect to your employment.

354 Contribution to the health services fund

If you were resident in Québec on December 31, 2005, or on the date on which you ceased to be resident in Canada in 2005, you may be required to pay a contribution to the health services fund if your total income (line 199), minus the amount on line 101, is over \$12,075. Complete Schedule F to calculate the amount of the contribution.

Special cases

If you claimed deductions on line 297 (points 9, 10, 11, 12, 14 and 18), enter on line 62 of Schedule F the portion of the deductions that is being claimed for an amount not included on lines 101 and 142.

If you received a retroactive payment in 2005, see "Special cases" in the instructions for line 446.

358 Adjustment for income replacement indemnities

If you were resident in Québec on December 31, 2005, and you received income replacement indemnities from the Commission de la santé et de la sécurité du travail (CSST) or the Société de l'assurance automobile du Québec (SAAQ), **enter the amount shown in box M of your RL-5 slip.**

Indemnities received under a law of Canada or a province other than Québec

If you received workers' compensation, indemnities further to a precautionary cessation of work or a traffic accident or because you were the victim of a crime, or compensation for loss of financial support, **under a law of Canada or a province other than Québec**, and the amounts you received were for a period in 2005, complete work chart 358. If you received income replacement indemnities in 2005 that were owed to you for 2004, contact Revenu Québec.

Special case

If you are an **Indian** or a **person of Indian ancestry** and you received any of the above-mentioned indemnities, do not take into account the indemnities situated on a reserve or premises in calculating the adjustment to enter on line 358. An indemnity is considered to be situated on a reserve or premises if the income giving entitlement to the indemnity is situated on a reserve or premises.

361 Amount with respect to age, for a person living alone or for retirement income

The amount with respect to age, for a person living alone or for retirement income may be reduced on the basis of net family income.

Amount with respect to age

You may claim an amount if you were born before January 1, 1941, or if your spouse on December 31, 2005 (see the definition at line 12), was born before January 1, 1941. **To do so, complete Parts A and B of Schedule B.**

This amount may be claimed in the return of a deceased person only if the person was 65 or older at the time of death.

You were born before December 1, 1940, and you did not receive the old age security pension in 2005

Enclose with your return an explanatory note and confirmation from Social Development Canada (or your Canadian entry visa). Without these documents, Revenu Québec will presume that you received the pension because of your age, and will add it to your income.

Amount for a person living alone

You may claim an amount if, **throughout 2005**, you maintained and ordinarily lived in a dwelling (see the definition below) in which you lived

- **alone** (that is, you did not share your dwelling at any time in 2005 with another person, such as a co-tenant, your mother or father, or a sister or brother), **or**
- **only with** one or more persons under 18, or with one or more children aged 18 or over who were full-time students pursuing vocational training at the secondary level or post-secondary studies (see the definition of “child enrolled in post-secondary studies” at line 367).

Your spouse on December 31, 2005, may be able to claim an amount for a person living alone if he or she meets the above conditions. For further information, contact Revenu Québec.

Dwelling

A house, an apartment or a similar place of residence in which a person ordinarily eats and sleeps, and which is equipped with kitchen and bathroom facilities.

NOTE

A room in a boarding house or a hotel is not a dwelling.

To calculate the amount you may claim, complete Parts A and B of Schedule B.

Supporting documents

Please enclose proof (either your RL-4 slip or a copy of your property tax invoice) that you maintained a dwelling. If you cannot provide such proof, complete Schedule J. Keep any documents that support your claim (lease, home insurance policy, telephone and utilities bills, etc.), since Revenu Québec may ask you to provide additional information.

Amount for retirement income

If you or your spouse on December 31, 2005, received certain types of retirement income in 2005, you may claim an amount for retirement income.

The old age security pension (line 114) and pensions paid under the Québec Pension Plan or the Canada Pension Plan (line 119) do not give entitlement to the amount for retirement income.

To calculate the amount you may claim, complete Parts A and B of Schedule B.

Special case

If you or your spouse on December 31, 2005, were not resident in Canada throughout the year, you are not required to reduce the amount on line 34 of Schedule B in proportion to your period of residence in Canada in 2005. However, to determine your net family income (Part A of Schedule B), you must take into account all the income you and your spouse earned, including income earned during the period in which you were not resident in Canada.

367 Amount for children enrolled in post-secondary studies or amount for other dependants

CHILDREN ENROLLED IN POST-SECONDARY STUDIES (Part A of Schedule A)

CHILDREN UNDER 18 ENROLLED IN POST-SECONDARY STUDIES (section 1 of Part A)

You may claim an amount for post-secondary studies for a child who was born after December 31, 1987, and who, in 2005, was a full-time student pursuing vocational training at the secondary level or post-secondary studies. The amount for post-secondary studies is \$1,780 for each completed term that was started in 2005, to a maximum of two terms per child.

If you are claiming this amount, you must enclose with your return the RL-8 slip issued by the educational institution the child attended in 2005. If the educational institution was located outside Québec, you must obtain the RL-8 slip from a Revenu Québec office, have it completed by the registrar of the institution, and enclose it with your return.

Child enrolled in post-secondary studies

Person who was your dependant and who, in 2005, was a full-time student pursuing vocational training at the secondary level or post-secondary studies.

NOTE

The person may be

- your or your spouse's child;
- a person of whom you or your spouse has the custody and control (legally or in fact), or had the custody and control immediately before the person reached the age of 19;
- the spouse of your child;
- the spouse of your spouse's child.

Child's income (line 8 of Schedule A)

In calculating the amount for children under 18 enrolled in post-secondary studies, the child's income must be deducted. The income is the amount entered on line 275 of the child's return (or the amount that would have been entered if the child had filed a return) plus, if applicable, the amount on line 236 of the child's return.

If the child was not resident in Canada throughout the year, you must take into account all of the child's income, including the income earned during the period in which he or she was not resident in Canada.

Division of the amount for children enrolled in post-secondary studies (line 9 of Schedule A)

If another person also contributed to the support of a child under 18 who was a full-time student pursuing vocational training at the secondary level or post-secondary studies, you and that person may have to divide the amount on line 9 of Schedule A for the child. In this case, multiply the amount on line 9 by the percentage that you and the other person agreed on. The total percentage must not exceed 100%.

CHILDREN 18 OR OVER ENROLLED IN POST-SECONDARY STUDIES (section 2 of Part A)

On certain conditions, you may claim an amount on line 367 for a child who was born before January 1, 1988, and who, in 2005, was a full-time student pursuing vocational training at the secondary level or post-secondary studies. The amount you may claim is equal to the total of

- the basic amount for children 18 or over enrolled in post-secondary studies;
- the additional amount for a child;
- the amount for post-secondary studies;
- the amount for a single-parent family.

Basic amount for children 18 or over enrolled in post-secondary studies (line 16 of Schedule A)

The basic amount is \$2,585 for each child aged 18 or over who was a full-time student pursuing vocational training at the secondary level or post-secondary studies.

If you are claiming the amount for children 18 or over enrolled in post-secondary studies for more than one child, and one of the children **reached the age of 18 in 2005**, you are not obliged to designate that child as the first child (column 1 of Schedule A).

Additional amount for a child (line 17 of Schedule A)

The additional amount for a child is \$220. This amount can be claimed for only one child.

You cannot claim this amount if, at the end of the year, you or your spouse on December 31 (see the definition at line 12) was entitled to the child assistance payment from the Régie des rentes du Québec for one or more children.

Special case

You cannot claim the additional amount for a child other than the child designated by your spouse on December 31, unless you maintained a dwelling (see the definition at line 361) in which you ordinarily lived and, at the same time, you met one of the following requirements:

- You **did not have a spouse** and you were not living in a conjugal relationship with any other person.
- You **had a spouse** but you were not living with your spouse, were neither supporting nor being supported by your spouse, and were not living in a conjugal relationship with any other person. You are not considered to have been supporting your spouse if you made support payments for the benefit of your spouse that entitle you to a deduction.

Please note that you cannot designate a child other than the child designated by your spouse on December 31 if you are entering an amount on line 431 as credits transferred from one spouse to the other.

Amount for post-secondary studies (line 18 of Schedule A)

The amount for full-time post-secondary studies is \$1,780 for each completed term that was started in 2005, to a maximum of two terms per child. You must enclose with your return the RL-8 slip issued by the educational

institution the child attended in 2005. If the educational institution was located outside Québec, you must obtain the RL-8 slip from a Revenu Québec office, have it completed by the registrar of the institution, and enclose it with your return.

Amount for a single-parent family (line 19 of Schedule A)

The amount for a single-parent family is \$1,400. This amount may be claimed only for the child for whom you are claiming the additional amount for a child (line 17 of Schedule A).

You may claim the amount for a single-parent family if, **at any time in 2005**, you maintained, alone or with another person, a dwelling (see the definition at line 361) in which you and the child named in column 1 of line 11 ordinarily lived, and if, at that time, you met one of the following requirements:

- You **did not have a spouse** and you were not living in a conjugal relationship with any other person.
- You **had a spouse** but you were not living with your spouse, were neither supporting nor being supported by your spouse, and were not living in a conjugal relationship with any other person. You are not considered to have been supporting your spouse if you made support payments for the benefit of your spouse that entitle you to a deduction.

Please note that you are not entitled to the amount for a single-parent family if you are entering an amount on line 431 as credits transferred from one spouse to the other.

Reduction of the amount for children enrolled in post-secondary studies and the amount for a single-parent family (line 21 of Schedule A)

If you are claiming the amount for children enrolled in post-secondary studies for a child who **reached the age of 18 in 2005**, do the following calculation:

Basic amount	1	215	41
If you entered an amount on line 17 of Schedule A for this child, enter \$18.33.	+	2	
If you entered an amount on line 19 of Schedule A for this child, enter \$116.67.	+	3	
Add lines 1 to 3.	=	4	
Number of months in the year that precede the child's birthday (include the month of the birthday)	x	5	
Multiply line 4 by line 5. Reduction of the amount for children enrolled in post-secondary studies. Carry the result to line 21 of Schedule A.	=	6	

Reduction of the amount for a single-parent family

If you entered an amount on line 19 of Schedule A, but you did not meet the requirements for claiming the amount for a single-parent family for the entire year, do the following calculation:

Amount for a single-parent family	1	116	67
Number of complete months in which you did not meet the requirements for claiming the amount for a single-parent family	x	2	
Multiply line 1 by line 2. Reduction of the amount for a single-parent family. Carry the result to line 21 of Schedule A.	=	3	

Special case

If you entered an amount on line 19 of Schedule A, but you did not meet the requirements for claiming the amount for a single-parent family for the entire year, and the child for whom you indicated the amount reached the age of 18 in 2005, contact Revenu Québec to find out the amount to enter on line 21 of Schedule A.

Child's income (line 23 of Schedule A)

The child's income must be deducted in the calculation of the amount for children 18 or over enrolled in post-secondary studies. The income is the amount on line 275 of the child's return (or the amount that would have been entered on line 275 if the child had filed a return) plus, if applicable, the amount on line 236 of the child's return.

If the child was not resident in Canada throughout the year, you must take into account all of the child's income, including the income earned during the period in which he or she was not resident in Canada.

Division of the amount for children enrolled in post-secondary studies (line 25 of Schedule A)

If another person also contributed to the support of a child who was a full-time student pursuing vocational training at the secondary level or post-secondary studies, you and that person may have to divide the amount on line 25 of Schedule A. In this case, multiply the amount on line 25 by the percentage that you and the other person agreed on. The total percentage must not exceed 100%.

Dependent child born before January 1, 1988

If a child born before January 1, 1988, was your dependant in 2005, but was not a full-time student pursuing vocational training at the secondary level or post-secondary studies, you may be entitled to an amount for other dependants (Part B of Schedule A) with regard to the child.

If a child born before January 1, 1988, was a full-time student pursuing vocational training at the secondary level or post-secondary studies, and had an infirmity, it may be to your advantage to claim an amount for other dependants rather than claiming an amount for children 18 or over enrolled in post-secondary studies. If you claim the amount for other dependants (Part B of Schedule A), you may include the amount granted because of an infirmity.

New resident in Canada in 2005

If you are entering an amount for children enrolled in post-secondary studies for a child who was not resident in Canada, you must provide a document attesting that the child was your dependant and that you supported the child (for example, proof of payments you made).

OTHER DEPENDANTS (Part B of Schedule A)

The amount that, under certain conditions, you may claim on line 367 for other dependants (see the definition below) is the total of the following amounts:

- the basic amount for other dependants;
- the amount granted because of an infirmity.

Other dependant

A person born before January 1, 1988, who is related to you by blood, marriage or adoption, and who, in 2005, ordinarily lived with you and was supported by you. The person cannot be your spouse or a child for whom you are claiming an amount for children enrolled in post-secondary studies. →

NOTE

The dependant may be one of the following persons:

- your or your spouse's father, mother, grandfather, grandmother, uncle or aunt; or
- a child for whom you cannot claim an amount in Part A of Schedule A because he or she was not, in 2005, a full-time student pursuing vocational training at the secondary level or post-secondary studies.

Basic amount (line 37 of Schedule A)

The basic amount is \$2,585 for each dependant born before January 1, 1988, for whom you are not claiming, in Part A of Schedule A, an amount for children 18 or over enrolled in post-secondary studies.

Amount granted because of an infirmity (line 38 of Schedule A)

The amount granted because of an infirmity is \$3,780 for each person who was your dependant in 2005.

Reduction of the amount for other dependants (line 40 of Schedule A)

If you are claiming an amount for a **person who reached the age of 18 in 2005**, do the following calculation:

Basic amount	1	215	41
If you entered an amount on line 38 of Schedule A for this child, enter \$315.	+	2	
Add lines 1 and 2.	=	3	
Number of months in the year that precede the child's birthday (include the month of the birthday)	x	4	
Multiply line 3 by line 4. Reduction of the amount for other dependants. Carry the result to line 40 of Schedule A.	=	6	

Dependant's income (line 42 of Schedule A)

The dependant's income must be deducted in the calculation of the amount for other dependants. The income is the amount on line 275 of the dependant's return (or the amount that would have been entered on line 275 if the dependant had filed a return) plus, if applicable, the amount on line 236 of the dependant's return.

If the dependant was not resident in Canada throughout the year, you must take into account all of the dependant's income, including the income earned during the period in which he or she was not resident in Canada.

Division of the amount for other dependants (line 43 of Schedule A)

If another person also contributed to the support of your dependant, you and that person may have to divide the amount on line 43 of Schedule A. In this case, multiply the amount on line 43 by the percentage that you and the other person agreed on. The total percentage must not exceed 100%.

New resident in Canada in 2005

If you are entering an amount for other dependants with respect to your or your spouse's child or grandchild, and the person was not resident in Canada, you must provide a document attesting that the person was your dependant and that you supported the person (for example, proof of payments you made).

373 Union, professional or other dues

Dues paid in 2005 for employment held in 2005

You may claim a tax credit for the following dues that you paid (or that were paid for you and included in your income) in 2005, provided they were related to your employment in 2005:

- union dues;
- dues paid to the Commission de la construction du Québec;
- dues paid to the Association professionnelle des chauffeurs de taxi du Québec;
- dues paid to a recognized artistic association or a professional association whose purpose is to maintain a professional status recognized by law;
- compulsory dues paid to a parity committee, advisory committee or similar body;
- the contribution paid to the Office des professions du Québec;
- annual dues paid to an employee association recognized by the Minister of Revenue. However, if you are claiming a credit for these dues with respect to your employment, you are not entitled to claim with respect to this employment the amount of the dues paid to a union, to a parity committee, advisory committee or similar body, to the Commission de la construction du Québec or to the Association professionnelle des chauffeurs de taxi du Québec.

The amount of your annual dues must not include the GST or QST paid on the dues if you are entitled to a refund of the GST and QST. See the instructions for line 459.

You are not entitled to a credit for dues that are not related to your employment. Similarly, you cannot claim a tax credit for dues related to your employment if **all of the income** from the employment entitles you to a deduction on line 293 or line 297 (point 3, 4, 5, 6, 7, 9, 10, 12, 14, 18, 19 or 23).

Dues paid in 2005 for employment held in 2004

The dues you paid in 2005 for employment that you held in 2004 (except professional dues or a contribution to the Office des professions du Québec) also entitle you to a tax credit. However, you cannot claim a credit for the dues paid in 2005 to an employee association recognized by the Minister of Revenue if, in 2004, you claimed a credit for the dues paid in 2004 to a union, to a parity committee, advisory committee or similar body, to the Commission de la construction du Québec or to the Association professionnelle des chauffeurs de taxi du Québec.

Self-employed person

You may claim a tax credit for the annual dues that you incurred in 2005 with regard to a recognized artistic association or a professional association whose purpose is to maintain a recognized professional status. This amount may include the GST and QST. You may also take into account the contribution paid to the Office des professions du Québec.

However, you cannot claim a credit for dues that are not related to the operation of your business or the practice of your profession. Nor can you claim a credit if the dues are related to your business or profession but **all of the income** you derived from the business or profession entitles you to a deduction on line 293 or line 297 (point 7, 9, 10, 12 or 18).

Supporting documents

The amount of your union or professional dues may be shown on a receipt, in box F of your RL-1 slip (or on your T4 slip if you did not receive an RL-1 slip), or in the centre of your RL-15 slip, after the note "Professional dues deemed paid" (or "Cotisations professionnelles réputées payées"). If applicable, enclose your receipts with your income tax return.

376 Amount for a severe and prolonged impairment in mental or physical functions

Enter \$2,200 if, in 2005, you had a severe and prolonged impairment in mental or physical functions, certified (as applicable) by a physician, optometrist, audiologist, speech therapist (speech-language pathologist), occupational therapist, psychologist or physiotherapist.

Your impairment is considered to be severe and prolonged if it lasted (or is expected to last) for a continuous period of at least 12 months and if one of the following conditions is met:

- Even with therapy, the appropriate devices, or medication, you were always or almost always
 - blind;
 - unable to perform a basic activity of daily living—speak, hear, walk, eliminate, feed yourself, dress yourself or (because you did not have the necessary mental functions) function in everyday life. Please note that basic activities of daily living do not include remunerated work, social activities, recreational activities or housekeeping; or
 - restricted in more than one basic activity of daily living, if the cumulative effect of the restrictions is equivalent to having a single marked restriction in one basic activity of daily living.
- Because of chronic illness, you underwent therapy prescribed by a physician at least twice a week, and the therapy
 - was essential to the maintenance of one of your vital functions;
 - required at least 14 hours per week of your time, including time for travel, medical appointments, and post-treatment recovery.

Feeding oneself does not include

- any of the activities of identifying, finding, shopping for or otherwise procuring food; or
- the activity of preparing food, if the time taken for the activity is required because of a dietary restriction or regime.

Dressing oneself does not include any of the activities of identifying, finding, shopping for or otherwise procuring clothing.

To confirm your impairment, enclose with your return a copy of form TP-752.0.14-V, *Certificate Respecting an Impairment*, if you are claiming this amount for the first time or if your health has improved since the last time a document was filed to certify the impairment.

The fact that you receive a disability pension under the Québec Pension Plan (OPP), or similar benefits, does not necessarily mean that you are considered to have a severe and prolonged impairment in mental or physical functions.

Remuneration paid to a full-time attendant or fees paid for full-time residence in a nursing home

You cannot claim an amount on line 376 if the remuneration paid to a **full-time** attendant or the fees paid for **full-time** residence in a nursing home have already been used to calculate a credit for medical expenses in your return or the return of another person. An exception is made where the amount claimed as remuneration paid to an attendant is \$10,000 or less (see "Remuneration paid to an attendant" in the instructions for line 381).

For further information, consult the brochure *Taxation and Persons with Disabilities* (IN-133-V).

378 Expenses for medical services not available in your area

You may claim an amount for the expenses you paid to obtain medical services that were not available in your area. The following expenses are eligible:

- travel and accommodation expenses paid in 2005 to obtain, in Québec, medical services that were not available within 250 kilometres of the locality in which you lived; and
- moving expenses paid in 2005 to move to within 80 kilometres of a health establishment in Québec, where the health establishment is 250 kilometres or more from the locality in which you formerly lived.

However, if these expenses can be included as moving expenses on line 228, or if they entitle you to the travel deduction on line 236, it may be to your advantage to claim them on those lines rather than on line 378.

You may include these expenses on line 378 only if you paid them in order to obtain medical services for yourself, your spouse or a dependant (see the definition at line 381) during the year in which the expenses were incurred. Enclose with your return your receipts and form TP-752.0.13.1-V, *Expenses for Medical Services Not Available in Your Area*.

You cannot claim expenses for which you received (or are entitled to receive) a refund, unless the amount of the refund is included in your income and cannot be deducted elsewhere on your return.

In calculating the amount of expenses for medical services not available in your area, do not take into account expenses that you or your spouse paid for the treatment of infertility. For these expenses, see point 11 in the instructions for line 462.

381 Medical expenses

On line 381, you may enter the portion of your medical expenses that exceeds 3% of your income (line 275). If you had a spouse on December 31, 2005 (see the definition at line 12), you must add to your income the amount on line 275 of your spouse's return.

You or your spouse must have paid the expenses **during a period of 12 consecutive months** ending in 2005, for the following persons:

- yourself;
- your spouse;
- any person who was your dependant during the year for which the expenses were incurred.

You must have receipts substantiating your medical expenses. You cannot claim expenses

- that have already been used in the calculation of a tax credit for medical expenses in an income tax return;
- that were taken into account in the calculation of expenses for medical services not available in your area;
- that were used to calculate the tax credit respecting home-support services for seniors;
- that were used to calculate the disability supports deduction;
- that were paid for the treatment of infertility (see point 11 in the instructions for line 462);
- that were incurred after April 21, 2005, for services provided for purely esthetic purposes.

You must subtract from the amount of your medical expenses any refund that you, your spouse or a dependant received (or is entitled to receive), unless the amount of the refund was included in your income or in that of your spouse or dependant and cannot be deducted on line 236 or line 297.

Dependant

A person who is supported by you and

- ordinarily lived with you; or
- did not ordinarily live with you but was your dependant because of an infirmity. In this case, the person must have been resident in Canada at some time in the year, unless the person is your or your spouse's child or grandchild.

NOTE

A dependant may be one of the following persons:

- your or your spouse's child or grandchild;
- your brother or sister, your or your spouse's nephew or niece, or your brother-in-law or sister-in-law (that is, your brother's or sister's spouse, your spouse's brother or sister, or the spouse of your spouse's brother or sister);
- your father, your mother or any other direct ascendant, as well as any direct ascendant of your spouse;
- your or your spouse's uncle, aunt, great-uncle or great-aunt.

To calculate the amount to which you are entitled, **complete Parts A and C of Schedule B**.

Do not enclose your receipts with your return, but keep them in case Revenu Québec asks for them.

Eligible medical expenses

The **most common** eligible medical expenses are

- payments made to a dentist, nurse, practitioner, public hospital or licensed private hospital, for medical, dental or paramedical services;
- payments for drugs prescribed by a physician or a dentist and obtained from a licensed pharmacist;
- the deductible and the co-insurance amount that you paid when purchasing drugs insured under the Québec prescription drug insurance plan;
- the premium paid under the Québec prescription drug insurance plan (line 447 of your 2004 income tax return), provided December 31, 2004, is included in the reference period (12 consecutive months) used to determine the amount of medical expenses;
- the premium payable under the Québec prescription drug insurance plan for 2005, provided December 31, 2005, is included in the reference period (12 consecutive months) used to determine the amount of medical expenses. Complete Schedule K to determine the amount of your premium;
- **payments to an insurer or a group insurance plan** to cover medical or hospital expenses, where the payments were made as a premium, contribution or other amount (including the value of the benefit with respect to the contribution paid by the employer, which is shown in **box J of the RL-1 slip** or **box B of the RL-22 slip**), for your benefit, or for the benefit of your spouse or any other person who lives with you and is related to you by blood, marriage or adoption;
- payments for eyeglasses, contact lenses or other devices for the treatment or correction of a defect of vision, where such items are prescribed by an ophthalmologist or an optometrist. However, expenses incurred after April 21, 2005, for eyeglass frames are limited to \$200 per person per reference period used (12 consecutive months);
- reasonable moving expenses (other than those claimed on lines 228 and 378) of up to \$2,000 incurred to move to a more accessible dwelling, to enable a person, the person's spouse or a dependant to gain access to or to be mobile or functional within the dwelling, where the person concerned lacks normal physical development or has a severe and prolonged mobility impairment;

- payments made to obtain certain devices or equipment prescribed by a practitioner, where the conditions of purchase or use are met;
- expenses for the transportation of a person by ambulance to or from a public hospital or a licensed private hospital;
- payments made after April 21, 2005, for hyperbaric oxygen therapy provided to a person with a severe and prolonged neurological disorder, where a competent person attests that the person has a severe and prolonged impairment in mental or physical functions.

For further information, consult the brochure *Medical Expenses* (IN-130-V).

Remuneration paid to an attendant

You may include in your medical expenses the remuneration paid to an attendant who provided care to you, your spouse or a dependant, if the following conditions are met:

- The person who received the care had a severe and prolonged impairment in mental or physical functions (see the instructions for line 376).
- The care was provided in Canada.
- The remuneration was paid to a person who, at the time, was neither your spouse nor under 18 years of age.
- The amount included in medical expenses for the remuneration paid to an attendant does not exceed \$10,000.
- No amount is entered in 2005, with respect to the person for whom the remuneration was paid, as
 - child-care expenses;
 - disability supports expenses, where the goods and services concerned enabled the person to carry out employment duties, carry on a business, do research, or attend a designated educational institution or a secondary school;
 - fees paid for full-time residence in a nursing home; or
 - expenses for care and training received in a school, an institution or any other place.
- A receipt was issued by the recipient of the remuneration. (If the recipient was an individual, his or her social insurance number must be indicated on the receipt.)

Remuneration paid to a full-time attendant

You may also include in your medical expenses the remuneration paid to a full-time attendant who provided care to you, your spouse or a dependant. The remuneration must have been paid to a person who, at the time, was neither your spouse nor under 18 years of age. The person who received the care must have been

- a person with a severe and prolonged impairment in mental or physical functions (see the instructions for line 376); or
- a person who, because of an infirmity, has been certified by a practitioner to be dependent on others for his or her personal needs and care for a prolonged period of time. The person must have received the care in the dwelling where he or she lives. In addition, a receipt must have been issued by the recipient of the remuneration. (If the recipient was an individual, his or her social insurance number must be indicated on the receipt.)

Fees paid for full-time residence in a nursing home

You may also include in your medical expenses the fees for full-time residence in a nursing home that were paid for you, your spouse or a dependant. The fees must have been paid for the full-time residence of a person with a severe and prolonged impairment in mental or physical functions (see the instructions for line 376) or a person who, due to lack of normal mental capacity, has been certified by a practitioner to be dependent on others for his or her personal needs and care.

Enclose with your return a copy of form TP-752.0.14-V, *Certificate Respecting an Impairment*, if you are claiming these expenses for the first time or if the

health of the person concerned has improved since the last time a document was filed to certify the impairment.

Restriction

If you include in your medical expenses the remuneration paid to a **full-time** attendant or the fees paid for **full-time** residence in a nursing home, for a person with a severe and prolonged impairment in mental or physical functions, it is possible that neither you nor anyone else may be entitled to claim an amount on line 376 or 386 with respect to the person's impairment. See "Remuneration paid to a full-time attendant or fees paid for full-time residence in a nursing home" in the instructions for line 376.

Special cases

If the amount for medical expenses that you are claiming includes expenses paid for a deceased person, you may, for this person, use a reference period of 24 consecutive months that includes the date of death.

If you or your spouse on December 31, 2005, did not reside in Canada throughout the year, do not take into account, in calculating your family income (Part A of Schedule B), the income you or your spouse earned during the period in which you were not resident in Canada.

384 Tuition or examination fees

You may claim an amount for **your** tuition or examination fees, if they were paid for 2005 or if they were paid for 1997 through 2004 but were not previously used to calculate a tax credit for tuition or examination fees. To claim an amount or carry an amount to a future year, complete Schedule M and enclose it with your return.

Even if you do not claim an amount for tuition or examination fees for 2005, it is to your advantage to complete Schedule M to determine the cumulative amount of fees that you may carry forward. Enclose Schedule M with your return.

You are the only person who may claim a tax credit for **your** tuition or examination fees, even if the fees were paid by another person. If the fees were paid or refunded by an employer, see "Tuition or examination fees paid or refunded by an employer" below.

The following amounts cannot be claimed as tuition or examination fees:

- the amount shown in box A of the RL-8 slip (the person who is claiming an amount for children enrolled in post-secondary studies may enter this amount on line 367 of his or her return as an amount for post-secondary studies);
- the cost of board and lodging, books, student association fees, travel, parking, or any other expenses for which an official receipt was not issued.

Tuition fees

You, as a student, are the only person who may claim a tax credit for **your** tuition fees paid for 2005 to one of the following institutions:

1. an institution at which you were enrolled in a post-secondary program;
2. an institution recognized by the Minister of Revenue, if you were enrolled at the institution for the purpose of **acquiring or upgrading skills necessary for a remunerated activity**, and you were 16 or over at the end of the year;
3. a university outside Canada that you attended full time for at least 13 consecutive weeks (the course of study must lead to the awarding of a diploma);
4. an institution in the United States at which you were enrolled in a post-secondary program, provided you lived in Canada near the U.S. border throughout 2005 and regularly commuted between your home and the institution.

The educational institutions referred to in points 1 and 2 must be located in Canada unless, during the period for which the tuition fees were paid, you were living outside Canada temporarily.

Examination fees

You are the only person who may claim a tax credit for **your** examination fees paid for 2005 to become member of a professional order named in Schedule I of the *Professional Code*.

Minimum amount of tuition or examination fees

In order to entitle you to a tax credit, your tuition or examination fees for a year must have totalled more than \$100.

Tuition or examination fees paid or refunded by an employer

If your tuition or examination fees were paid or refunded in whole or in part by your employer or by your father's or mother's employer, you may claim a tax credit for the fees the employer paid or refunded, up to the amount included in your income or in your father's or mother's income.

Fees refunded under a vocational training program or a program designed to assist athletes

You may claim a tax credit for the tuition or examination fees refunded to you under a vocational training program or a program designed to assist athletes, provided you included the amount of the refund in your income.

Supporting documents

Enclose your receipts for all tuition or examination fees paid for 2005, as well as your receipts for fees paid for 1997 through 2004 (if you have not already submitted them).

Unused portion of tuition or examination fees (line 33 of Schedule M)

Enter on line 33 of Schedule M the amount indicated on line 40 of your Schedule M for 2004, or the amount shown on your notice of assessment or reassessment for 2004.

If tuition or examination fees were paid after 1996, but you did not determine in 2004 the amount that could be carried forward, enter on line 33 of Schedule M the fees paid for 1997 through 2004 (the fees for each year must be over \$100), minus the fees already used in the calculation of this credit for previous years. Enclose the receipts with your return.

Carry-forward of tuition or examination fees

Fees that relate to 1997 through 2005 and that you have not used in the calculation of the tax credit may be carried forward and claimed in subsequent years. To determine the amount that may be carried forward, complete Schedule M.

385 Interest paid on a student loan

You may claim an amount if you (or a person related to you) paid interest after 1997 on a student loan that was granted to you under the *Act respecting financial assistance for education expenses*, the *Canada Student Loans Act*, the *Canada Student Financial Assistance Act*, or a law of a province other than Québec governing the granting of financial assistance to post-secondary students. However, you cannot claim an amount for interest paid on any other type of loan, or on a student loan that was combined with another type of loan.

To claim an amount or carry an amount to a future year, complete Schedule M and enclose it with your return. Please note that you are the only person who may claim an amount for the interest paid on a student loan granted to you.

If you are not claiming an amount for 2005, it is to your advantage to complete Schedule M to determine the cumulative amount of fees that you may carry forward. Enclose Schedule M with your return.

Proof of payment

Enclose proof of the interest paid on a student loan for 2005, as well as proof of the interest paid for 1998 through 2004 if it has not already been submitted.

Unused portion of interest paid on a student loan (line 46 of Schedule M)

Enter on line 46 of Schedule M the amount indicated on line 62 of your Schedule M for 2004, or the amount shown on your notice of assessment or reassessment for 2004.

If you paid interest on a student loan after 1997, but did not determine in 2004 the amount that could be carried forward, enter on line 46 of Schedule M the interest paid for 1998 through 2004, minus the interest already used in the calculation of this credit for previous years. Enclose proof of your payments with your return.

Carry-forward of interest paid on a student loan

Interest that was paid on a student loan from 1998 through 2005 and that you have not used in the calculation of the tax credit may be carried forward and claimed in subsequent years. To determine the amount that may be carried forward, complete Schedule M.

386 Impairment amount transferred by a dependant

If a person who is your dependant (see the definition below) is entitled to the amount for a severe and prolonged impairment in mental or physical functions (line 376), but does not use the full amount to reduce his or her income tax, the unused portion may be transferred to you, even if you entered \$3,780 with respect to the person on line 38 of Schedule A.

However, this amount cannot be transferred to you if the remuneration paid to a **full-time** attendant for your dependant or the fees paid for your dependant's **full-time** residence in a nursing home have already been used in the calculation of a tax credit for medical expenses in your return or another person's return, unless the amount entered as remuneration paid to an attendant is \$10,000 or less.

Complete Part C of Schedule A.

Dependant

A person who is resident in Canada, whose spouse (if applicable) is not entering an amount on line 431 of his or her return as credits transferred from one spouse to the other, and for whom

- you are entering an amount on line 367 (or could do so if the person had no income in 2005); or
- you or your spouse on December 31 (see the definition at line 12) receives the child assistance payment from the Régie des rentes du Québec.

Division of the amount transferred

If another person also contributed to the support of your dependant, you and that person may have to divide the portion of the amount for a severe and prolonged impairment in mental or physical functions (line 376) that was not used by the dependant. In this case, multiply line 87 of Schedule A by the percentage agreed upon with the other person. The total percentage must not exceed 100%.

389 Donations and gifts

IMPORTANT

If the total amount of your donations and gifts is \$2,000 or less, you may enter the total amount on line 389. If the total amount of your donations and gifts is over \$2,000, complete work chart 389.

CHARITABLE DONATIONS

You may enter the eligible amount of the charitable donations you made in 2005 or in the five preceding years (2000 through 2004), provided the donations give entitlement to a tax credit and you have not already claimed them. The amount you enter must not exceed 75% of your income (line 275).

Donations giving entitlement to the tax credit include those made to

- a registered charity (please note that tuition fees, even if they are related to religious instruction, do not give entitlement to the credit);
- the Government of Canada or a provincial government;
- a prescribed Canadian amateur athletic association;
- a registered Québec amateur athletic association;
- an arts organization recognized by the Minister of Revenue;
- a Canadian municipality;
- the United Nations or one of its agencies;
- a prescribed foreign university;
- a recognized political education organization;
- the Agence de la Francophonie or one of its subsidiary bodies.

Gift of a work of art

Works of art donated to a charity

A gift of a work of art to a charity gives entitlement to a tax credit, provided the charity disposes of the work of art in the year the gift is made or in any of the five subsequent years. If you receive the receipt for the gift after you file your income tax return, you may request that the credit be granted as of the year in which the gift was made. To do so, complete and file form TP-1.R-V, *Request for an Adjustment to an Income Tax Return*.

This measure does not apply to a gift of a work of art to the Government of Canada, a provincial government, a Canadian municipality, an arts organization recognized by the Minister of Revenue, or an organization that acquired the work of art as part of its primary mission. Nor does the measure apply to a gift described under "Other gifts" below.

Works of art donated to Québec museums

If, after March 14, 2000, you donated a work of art to a museum located in Québec or to an accredited museum, the amount of the donation is equal to 125% of the amount used in the calculation of the tax credit.

If, after July 11, 2002, you donated a work of art with a recognized reserve of usufruct or use to a museum located in Québec or to an accredited museum, contact Revenu Québec.

Supporting documents

Enclose with your income tax return the official receipts for all donations you are reporting for 2005, unless the amount of the donations is shown in box N of the RL-1 slip or in box 19 of the RL-15 slip. The receipts may be in your name or in your spouse's name.

Special case

If you donated capital property (such as land or a building), you may be entitled to claim an amount that exceeds 75% of your income (line 275). For further information, contact Revenu Québec.

OTHER GIFTS

You may also enter the amount of the other gifts you made in 2005 or in the five preceding years (2000 through 2004), provided the gifts give entitlement to the tax credit and you have not already claimed them.

The other gifts giving entitlement to the tax credit are:

- **gifts of cultural property** made to a prescribed institution or a public authority. Enclose your receipts and, as applicable, the T871 certificate issued by the Canadian Cultural Property Export Review Board or the certificate issued by the Commission des biens culturels du Québec, unless the amount of your gift is indicated in box 20 of your RL-15 slip;
- **gifts of property with heritage value** made to an accredited museum or a certified archival centre. Enclose your receipts and the *Certificate Respecting the Disposition of Cultural Property* (form TPF-712.0.1-V) issued by the Commission des biens culturels du Québec. If, after March 14, 2000, you donated a work of art with heritage value to an accredited museum, you may enter 125% of the amount used in the calculation of the tax credit;
- **gifts, made after July 11, 2002, of cultural property or property with heritage value, where there is a recognized reserve of usufruct or use in respect of the property;**
- **ecological gifts** (land with ecological value or servitudes encumbering land with ecological value) made to a Québec municipality, to certain registered charities, or to the Québec government, or, under certain conditions, made after July 5, 2001, to the government of Canada, a province other than Québec, the United States, or a U.S. state. Enclose the *Certificate Respecting Gifts of Land with Ecological Value or of Servitudes Encumbering Land with Ecological Value* (form TPF-712.0.2-V) issued by the Ministère du Développement durable, de l'Environnement et des Parcs. Where the property donated is located outside Québec, also enclose the approval issued by this Ministère, unless the amount of your gift is shown in box 20 of your RL-15 slip.

For further information, contact Revenu Québec.

CARRY-FORWARD OF DONATIONS AND GIFTS

If, in 2005, you are claiming donations or gifts made in a previous year, and you included the pertinent receipts with an income tax return you filed previously, enclose a note with your 2005 return, stating the year in which the donations or gifts were made and the amount carried forward to 2005.

SPECIAL CASE

If you are a member of a religious order and have taken a vow of perpetual poverty, you may enter the donations you made to your religious order. The amount you enter must not exceed your income (line 275). If the donations you made to your religious order exceed 75% of your income, enclose the *Certificate Respecting a Member of a Religious Order* (form TP-752.0.1.i-V) issued by an authorized representative of your order if you have never filed the certificate or if you changed religious orders in 2005.

Income tax and contributions

401 Income tax on taxable income

To calculate the income tax payable on your taxable income, complete work chart 401. (The work charts are grouped together after the schedules.)

Special cases

1. If you were resident in Québec on December 31, 2005, and you carried on a business in Canada, outside Québec, in 2005, **check box 403** of your return. Complete form TP-22-V, *Income Tax Payable by an Individual Who Carries On a Business in Canada, Outside Québec*, to determine the income tax that you are required to pay.
2. If you were resident in Canada, outside Québec, on December 31, 2005, and you carried on a business in Québec in 2005, **check box 403** of your return. Complete form TP-25-V, *Income Tax Payable by an Individual Resident in Canada, Outside Québec, Who Carries On a Business in Québec*, to determine the income tax that you are required to pay.

402 Tax adjustment (Schedule E)

Single payment accrued to December 31, 1971

You may enter a tax adjustment for the portion accrued to December 31, 1971, of a **single payment** received in 2005 under a pension plan or a deferred profit-sharing plan. If you do so, you are not required to report on line 154 the portion of the payment to which the adjustment applies. To determine the income tax applicable to this income, contact Revenu Québec.

Retroactive payments and support-payment arrears

If you received a retroactive payment in 2005, you may ask Revenu Québec to calculate whether it is to your advantage to have the portion of the amount that applies to previous years deducted from your taxable income for 2005, provided that portion is \$300 or more. If it is to your advantage, Revenu Québec will enter a tax adjustment on line 402 of Schedule E.

This measure applies to

- employment income (line 101 or 107) received further to a court judgment, an arbitration award or a settlement between the parties in legal proceedings, or under the *Act respecting municipal territorial organization*;
- a retroactive payment that you are required to include on line 111, 114, 119, 122, 147 or 154 (see points 3(a) and 3(b) in the instructions for line 154);
- interest on a retroactive payment (line 130);
- any retroactive payment included on line 154 that would be, in the opinion of the Minister of Revenue, an undue additional tax burden if you were to include the amount in your taxable income for the year;
- support-payment arrears that you are required to report on line 142.

To make such a request, **check box 404** of your return. Also complete form TP-766.2-V, *Averaging of a Retroactive Payment, Support-Payment Arrears or a Repayment of Support*.

Refund of support payments

If you received a refund of support payments that you must report on line 142, you may ask Revenu Québec to calculate whether it is to your advantage to have the portion of the payment that applies to previous years deducted from your taxable income for 2005 and to have a tax adjustment entered on line 402 of Schedule E instead.

To make such a request, check box 404 of your return. Also complete form TP-766.2-V, *Averaging of a Retroactive Payment, Support-Payment Arrears or a Repayment of Support*, and enclose it with your return.

409 Foreign tax credit (Schedule E)

You may claim a foreign tax credit on your business or non-business income if you meet both of the following requirements:

- You were resident in Québec on December 31, 2005, or on the date on which you ceased to reside in Canada in 2005.
- You paid income tax on the income in question to the government of a foreign country or of a political subdivision of a foreign country, or you paid a similar contribution on the income in question to certain international organizations.

If you are claiming a foreign tax credit on non-business income, your credit cannot be higher than the total foreign income tax paid on the income, **minus** the foreign tax credit granted by the Canada Revenue Agency on non-business income.

The foreign income tax paid on non-business income may be shown in box G of your RL-3 slip, box 17 of your RL-15 slip, box L of your RL-16 slip or box H of your RL-25 slip.

The foreign income tax paid on business income may be shown in box 18 of your RL-15 slip or box K of your RL-16 slip.

To calculate the amount of your credit, complete a copy of form TP-772-V, *Foreign Tax Credit*, for each of the countries to which you paid income tax.

Special case

If you claimed a deduction for split income of a child on line 295, and you paid foreign income tax on the income giving entitlement to the deduction, contact Revenu Québec.

411 Tax credit for a beneficiary of a designated trust (Schedule E)

If you are the designated beneficiary of a designated trust (see the definitions at line 22), and you included in your income the amounts from lines 11 and 12 of the *Information Return to Be Completed by the Beneficiary of a Designated Trust* (TP-663-V), you may be entitled to the tax credit for a beneficiary of a designated trust.

To claim this tax credit, enter on line 411 the amount from line 21 of form TP-663-V.

414 Tax credit for contributions to authorized Québec political parties

You may claim a tax credit for contributions to Québec political parties if, in 2005, you made contributions in cash or by cheque to official representatives of

- authorized provincial political parties, riding associations or independent candidates authorized under *Québec's Election Act*;
- municipal political parties or independent candidates authorized under *Québec's Act respecting elections and referendums in municipalities*.

To calculate the amount of your tax credit, **complete work chart 414**. The maximum credit is \$405.

Supporting documents

Enclose receipts signed by official representatives.

Special case

In calculating the credit, do not include contributions for which you are or were entitled to a refund or any other form of assistance.

415 Dividend tax credit

To claim a tax credit on dividends from taxable Canadian corporations, multiply the amount you entered on line 128 by 10.83% and carry the result to line 415.

Special cases

If you claimed a deduction for split income of a child on line 295, and you are entitled to a dividend tax credit on the income that gives rise to the deduction, contact Revenu Québec.

You cannot claim a dividend tax credit on the dividend income (or any portion of the dividend income) that gives entitlement to a deduction on line 293 or 297 (point 9, 10 or 18).

422 Tax credit respecting the acquisition of Capital régional et coopératif Desjardins shares

You may claim a tax credit if you were resident in Québec on December 31, 2005, and if, between March 1, 2005, and February 28, 2006, you acquired, as first purchaser, Capital régional et coopératif Desjardins shares.

The credit to which you are entitled is the amount shown in box B of your RL-26 slip. The maximum credit is \$1,250.

Do not enclose your RL-26 slip with your return, but keep it in case Revenu Québec asks you for it.

You cannot use the portion of the tax credit to which you are entitled but which you are not claiming in your 2005 income tax return to reduce your income tax for subsequent years.

You are not entitled to this tax credit if you asked Capital régional et coopératif Desjardins to redeem your shares.

Special tax related to the redemption of shares by Capital régional et coopératif Desjardins

If you claimed a tax credit on line 422 of your income tax return and, in a subsequent year, you ask Capital régional et coopératif Desjardins to redeem your shares, a portion of the tax credit you obtained will be recaptured if you held the shares for less than seven years.

424 Tax credit with respect to a labour-sponsored fund

You may claim a tax credit if, in 2005 or the first 60 days of 2006, you acquired, as first purchaser, class A shares in the Fonds de solidarité des travailleurs du Québec (FTQ) or class A or class B shares in the Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi (called "Fondaction").

Your credit is equal to the total of the tax credits shown on your RL-10 slip and the tax credits you did not use before 2005, minus the cancelled credits shown on your RL-10 slip. The maximum credit is \$750.

Under certain conditions, you may use any portion of the tax credit to which you are entitled but which you are not claiming in your 2005 return to reduce your income tax for subsequent years.

Purchase of substituted shares

If you purchased substituted shares (RL-10 slip) because you previously redeemed your shares in a labour-sponsored fund in order to participate in the Home Buyers' Plan (HBP) or the Lifelong Learning Plan (LLP), you cannot claim this tax credit for the substituted shares.

Special case

You are not entitled to this tax credit if, among other things, one of the following situations applies to you:

- You were born before January 1, 1941.
- You were born before January 1, 1951, and were either retired or on pre-retirement leave in 2005. However, if you earned employment income or are reporting business income in 2005, and you acquired shares in a labour-sponsored fund, you may claim the credit under certain conditions. In this case, contact Revenu Québec.
- In 2005 or the first 120 days of 2006, you asked the fund concerned to redeem your shares.

431 Credits transferred from one spouse to the other

Negative amount on line 430

If you entered a negative amount on line 430, you may transfer this amount to the person who was your **spouse on December 31, 2005** (see the definition at line 12). The transfer will reduce your spouse's income tax.

To transfer the amount, carry it from line 430 of your return to line 431 and enter "0" on line 432. Make sure the amount transferred is entered on line 431 of your spouse's return. **Remember to file your return** so that your spouse can benefit from the transfer.

If you entered amounts on lines 381, 384, 385, 389, 409 and 424, you may choose to reduce these amounts in order to reduce your income tax for subsequent years, instead of transferring the unused portion of these credits to your spouse.

Positive amount on line 430

If you entered a positive amount on line 430 of your return, but **your spouse on December 31, 2005** (see the definition at line 12), entered a negative amount on line 430 of his or her return, you may carry the negative amount in question to line 431 of your return. In this case, **make sure your spouse files a return**.

Special case

If your spouse on December 31, 2005, is deceased, only a negative amount on line 430 of the principal return of the deceased may be transferred to you.

432 Alternative minimum tax carry-over, alternative minimum tax and deduction for logging tax

Alternative minimum tax carry-over (line 13 of Schedule E)

As a rule, if you do not have to pay alternative minimum tax for 2005, you may be entitled to deduct all or part of the alternative minimum tax paid for a year before 2005. To determine the amount you may deduct on line 13 of Schedule E, complete form TP-776.42-V, *Alternative Minimum Tax*.

Alternative minimum tax (line 15 of Schedule E)

You may be required to pay alternative minimum tax if one of the following situations applies to you:

1. The amount of dividends you are entering on line 128 is over \$50,000.
2. You are deducting, on line 29 of Schedule L, your share of a loss sustained by a partnership of which you were a specified member (limited partner).
3. You are reporting a taxable capital gain on line 139.
4. You are deducting a loss with respect to a tax shelter on line 164.

5. You are claiming a deduction for interest and carrying charges incurred to acquire
 - flow-through shares;
 - an interest in a partnership of which you were a specified member;
 - a tax shelter;
 - rental or leasing property;
 - an investment in a film production;
 - investments in resources.
6. You are claiming a deduction on line 241, the deduction for exploration expenses incurred in Québec (line 250, point 9) or the deduction for certain films (line 250).
7. You are claiming a deduction on line 287 (other than the additional deduction for Québec resources and the amount by which the total of lines 76, 80 and 82 of Schedule D exceeds the cost of the securities for which a deduction is claimed on those lines).

If the situation described in point 1 applies to you, complete form TP-776.42-V, *Alternative Minimum Tax*. If any of the situations described in points 2 to 7 applies to you, **complete the work chart below** to determine whether you must complete form TP-776.42-V.

Losses from a partnership of which you were a specified member							1		
Taxable capital gains (line 139 of your return)		2							
	x	3	50%						
Multiply line 2 by line 3.	=	4					+	4	
Losses deducted with respect to a tax shelter (if the losses are not included on line 1 above)							+	5	
Interest and carrying charges (see point 5 above)							+	6	
Deductions for certain tax shelters (line 241) and deduction for certain films (line 250)							+	7	
Exploration expenses incurred in Québec (see line 250, point 9)							+	8	
Deduction for strategic investments (line 287 of your return minus line 88 of Schedule D)							+	9	
Deduction for a home-relocation loan and deduction for share and security issue expenses related to Québec resources (see line 297, points 1 and 13)							+	10	
Carry-over of the adjustment of investment expenses (line 252)							+	11	
Taxable income (line 299 of your return)							+	12	
Add lines 1 and 4 through 12.	=						=	13	
Dividends (line 128 of your return)	▶			x 20%		14			
Amount from line 234 of your return	▶			x 50%		15			
Total of lines 76, 80 and 82 of Schedule D, minus the cost of the securities for which a deduction is claimed on those lines. If the result is negative, enter 0.						17			
Exemption						18	40,000	00	
Add lines 14 through 18.	=					19			
Subtract line 19 from line 13. If the result is negative, you are not subject to alternative minimum tax. If it is positive, continue your calculations.							=	20	
Multiply line 20 by 16%.									x 16%
Non-refundable tax credits (line 399 of your return)							-	24	
Subtract line 25 from line 24.							=	26	
Amount from line 430 of your return						27			
Amount from line 431 of your return	-					30			
Subtract line 30 from line 27. If the result is negative, enter 0.	=					31			
Subtract line 31 from line 26. If the amount is negative, you do not have to pay to alternative minimum tax. If it is positive, complete form TP-776.42-V.							=	32	

Deduction for logging tax (line 17 of Schedule E)

If you carried out logging operations in Québec in 2005, you may deduct one-third of the amount of logging tax you paid to the Minister of Revenue of Québec when you filed the *Logging Operations Return* (form TPZ-1179-V).

438 Annual registration fee for the Québec enterprise register

If you are registered in the Québec enterprise register (*Registre des entreprises du Québec*), pursuant to the *Act respecting the legal publicity of sole proprietorships, partnerships and legal persons*, you must pay the annual registration fee. You must also complete Schedule O, *Déclaration de renseignements pour le Registre des entreprises du Québec*, to update the information concerning you. (For information purposes only, an English translation of Schedule O is available on the Revenu Québec Web site, at www.revenu.gouv.qc.ca.) If you do not have enough space on Schedule O, use as many copies as you need. On each copy of the schedule, enter the Québec enterprise number (NEQ) and the reference number shown on the information statement (*État de renseignements*) sent to you by Revenu Québec.

If you terminated the activities of your business in Québec, do not file Schedule O. Instead, file the *Déclaration de radiation* (declaration for striking off), which you can obtain on the Web site of the Registraire des entreprises du Québec (www.req.gouv.qc.ca), at its Montréal and Québec City offices, or at any office of Communication Québec.

If you are asked to provide an address, enter the complete address. A post office box is not considered to be a complete address.

If an item of information is no longer required, enter it in the appropriate section and check the box "Retrait" (Delete).

Annual registration fee

The annual registration fee for a sole proprietorship is \$32. However, if you registered for the first time in 2005, no fee is payable.

Information on the elected domicile (“Renseignements sur le domicile élu”)

Complete lines 17 to 22 of Schedule O if you wish to have correspondence concerning the Québec enterprise register sent to a person other than yourself.

If you no longer have an elected domicile, enter the address of your last elected domicile on lines 17 to 22 and check box 18.

Tobacco sales

If you make retail sales of tobacco, you must report to the Québec enterprise register the name and address of each establishment at which you do so.

If you make retail sales of tobacco at an establishment identified in the information statement you received, and that activity is not indicated in the statement, complete lines 45 to 53 and (if applicable) lines 54 to 63. Check box **53.1** or **63.1**, as applicable.

If you ceased to operate a retail tobacco sales outlet, and you previously reported retail tobacco sales to the Québec enterprise register, complete lines 45 to 53 and (if applicable) lines 54 to 63. Check box **53.1** or **63.1**, as applicable.

Information on establishments in Québec (“Renseignements sur les établissements au Québec”)

Adding an establishment

If you added an establishment, complete lines 45 and 47 to 53 for the principal establishment, and lines 55 and 57 to 63 for the other establishments.

Changing the information concerning an establishment

Complete lines 45 and 47 to 53 for the principal establishment, and lines 54 to 63 for the other establishments. If you are making changes to the information concerning the other establishments, you must enter on line 54 the number assigned to the establishment on the last information statement you received.

Deleting an establishment

Complete lines 45 to 53 for the principal establishment, and lines 54 to 63 for the other establishments. If you are closing an establishment, you must enter on line 54 the number assigned to the establishment on the last information statement you received.

Other names used in Québec (“Autres noms utilisés au Québec”)

If the information statement you received does not indicate a name that you use in carrying on your activities, in operating your business or for the purposes of the possession of an immovable real right other than a prior claim or hypothec (including assumed names or trademarks such as names of merchandise or names of services that you own or use in Québec), enter the name on line 65.

If you ceased to use a name, enter on line 64 the number assigned to the name on the last information statement you received, and indicate the name on line 65. Check box 66.

If you indicate a name in a language other than French, you must provide the French version of the name.

If the name is a trademark, enter the appropriate symbols, such as ®, TM, MC and SM. Also provide the French version of the trademark, if there is one.

You must ensure that the name you use for your business is in conformity with the applicable laws and regulations, in particular, the *Act respecting the legal publicity of sole proprietorships, partnerships and legal persons* and the regulation respecting the application of the Act.

If you are using a new name that is not recorded on the information statement you received, leave line 64 blank and enter on line 65 the name you added.

Designated attorney (“Fondé de pouvoir”)

If you do not have a domicile or an establishment in Québec, you must designate an attorney resident in Québec, unless you are exempted from this requirement by regulation.

The designated attorney represents you for purposes of the *Act respecting the legal publicity of sole proprietorships, partnerships and legal persons*. Any proceeding instituted against you may be served on the designated attorney.

If you changed your designated attorney, complete lines 93 to 97. If you no longer have a designated attorney, enter on lines 93 to 97 the name and address of the designated attorney indicated in the information statement you received, and check box 94.

Information on the administrator of assets ("Renseignements sur l'administrateur du bien d'autrui")

If the administrator of assets named on the information statement you received has changed, enter on lines 105 to 112 the capacity in which the new administrator is acting and his or her name and address.

If you no longer have an administrator of assets, enter on lines 105 to 112 the capacity, name and address of the administrator of assets named on the information statement you received, and check box 108.

Certification ("Signature")

This part must be completed in all cases. It must be dated and the signature must be original. A signature in pencil, a photocopy of a signature, or a signature reproduced using carbon paper will not be accepted.

For further information, contact the Registraire des entreprises du Québec.

441 Advance payments of the tax credit respecting the work premium and the tax credit for child-care expenses

Advance payments of the tax credit respecting the work premium

If you received advance payments of the tax credit respecting the work premium, enter the amount shown in box A of your RL-19 slip.

To claim the tax credit respecting the work premium, see the instructions for line 456.

Advance payments of the tax credit for child-care expenses

If you received advance payments of the tax credit for child-care expenses, enter the amount shown in box B of your RL-19 slip.

To claim the tax credit for child-care expenses, see the instructions for line 455.

442 Advance payments of the tax credit respecting home-support services for seniors

If you received advance payments of the tax credit respecting home-support services for seniors, enter the "Year-to-date" total indicated in this respect on line 7 (after the note "Advance on tax credit") of the last confirmation of payment that you received for 2005 from the service employment paycheque processing centre (Centre de traitement Chèque emploi service).

To claim the tax credit respecting home-support services for seniors, see point 17 in the instructions for line 462.

443 Special taxes

Special tax respecting a registered education savings plan

If you are the subscriber under a registered education savings plan (RESP), or the spouse, former spouse or heir of the subscriber, and you entered on line 154 an amount as accumulated income under the RESP (other than an educational assistance payment), you may have to pay a special tax. To calculate the amount of the tax, complete form TP-1129.64-V, *Special Tax Relating to a Registered Education Savings Plan*.

Special tax respecting the non-purchase of substituted shares in a labour-sponsored fund

If you redeemed your shares in a labour-sponsored fund in order to participate in the Home Buyers' Plan (HBP) or the Lifelong Learning Plan (LLP) but did not purchase substituted shares within the prescribed time, you must pay a special tax. Enter the amount shown in box F of your RL-10 slip.

Special tax on split income of a child

You may have to pay a special tax if **you were born after December 31, 1987**, and you included in your income

- taxable dividends and other benefits granted to a shareholder with regard to unlisted shares of Canadian corporations and (in certain cases) foreign corporations;
- income from a partnership or trust, if the partnership or trust earns the income from a business providing goods or services to a business carried on by a person related to you.

Certain income subject to this special tax may be indicated in the centre of your RL-15 slip, after the note "Split income of a child" (or "Revenu fractionné d'un enfant"). It may also be indicated in the centre of your RL-16 slip, after one of the following notes: "Box I – Split income: dividends" (or "Case I : Revenu fractionné – dividendes"); or "Box G – Split income" (or "Case G : Revenu fractionné").

However, you may claim a deduction for this income on line 295 of your income tax return.

For further information, contact Revenu Québec.

Special tax on amounts from an income-averaging annuity for artists

If you included in your income amounts from an income-averaging annuity for artists, you must pay a special tax if income tax was deducted at source from the annuity. Enter the amount shown in the centre of your RL-2 slip, after the note "Special tax deducted at source" (or "Impôt spécial retenu").

However, under certain conditions, you may be entitled to the tax credit respecting income from an income-averaging annuity for artists. For further information, see point 19 in the instructions for line 462.

445 QPP contributions on income from self-employment

Self-employment

If you earned income from self-employment (line 164), complete work chart 445 to determine the Québec Pension Plan (QPP) contribution you are required to pay on that income. Do not complete the work chart if you entered an amount of \$1,861.20 or more on line 98.

Optional contributions on certain employment income

If, as an employee, you paid less than \$1,861.20 in QPP contributions in 2005 and you wish to increase your QPP benefits, you may under certain conditions make additional contributions on all or a portion of the income that you reported on line 107, as well as on certain income that you reported on line 101 (see "Optional contributions to the QPP" in the instructions for line 101). If you choose to make additional contributions, complete work chart 445 and check box 444 of your return.

Reduction of maximum contribution

If you reached the age of 18 in 2005 or were entitled to a disability pension under the QPP or the CPP, contact Revenu Québec.

Special cases

If, in 2005, you began to receive a retirement pension under the QPP or the CPP (line 119), or you reached 70 years of age and were not receiving a pension under the QPP or the CPP at that time, contact Revenu Québec.

If you are an **Indian** or a **person of Indian ancestry**, and you entered an amount on line 293, include, on lines 1, 2 and 8 of work chart 445, only the income derived from work for which you did not claim a deduction on line 293.

446 Contribution to the health services fund

The purpose of the contribution to the health services fund is to ensure that all individuals who are entitled to health services in Québec contribute to the financing of these services. Consequently, if you were resident in Québec on December 31, 2005 (or on the date on which you ceased to be resident in Canada in 2005), you may have to pay a contribution to the health services fund if your total income (line 199), minus the total of the amounts on lines 101 and 105, is over \$12,075. To find out whether you are required to pay a contribution and to determine the amount, complete Schedule F.

Special cases

If you were resident in Québec on December 31, 2005, and you carried on a business in Canada, outside Québec, in 2005, calculate the amount of your contribution by multiplying the amount on line 82 of Schedule F by the percentage you determined on line 36 of form TP-22-V, *Income Tax Payable by an Individual Who Carries On a Business in Canada, Outside Québec*.

If you received a retroactive payment that must be reported on line 107, 111, 119, 122 or 154, or interest on a retroactive payment (line 130), you may ask Revenu Québec to determine whether it is to your advantage to have the portion of the amount that applies to previous years (provided that portion is \$300 or more) deducted from your income subject to the contribution for 2005. If it is to your advantage, Revenu Québec will adjust your contribution to the health services fund. Similarly, if you received a refund of support payments that must be reported on line 142, you may ask Revenu Québec to determine whether it is to your advantage to have the portion of the payment that applies to previous years deducted from your income subject to the contribution for 2005. In this case as well, Revenu Québec will make an adjustment. If you wish to make such a request, **check box 404** of your return. Also complete form TP-766.2-V, *Averaging of a Retroactive Payment, Support-Payment Arrears or a Repayment of Support*.

447 Premium payable under the Québec prescription drug insurance plan

If, in 2005, you had a health insurance card issued by the Régie de l'assurance maladie du Québec (RAMQ), you were required to have basic prescription drug insurance provided by

- a group insurance plan, if you met the eligibility requirements to become a member of the plan;
- the Québec prescription drug insurance plan, if you were not eligible for a group insurance plan.

Further information on the Québec prescription drug insurance plan is available on the Web site of the RAMQ, at the following address: www.ramq.gouv.qc.ca.

Group insurance plan

As a rule, a group insurance or an uninsured employee benefit plan, where a person is a member of the plan by reason of his or her current or former employment, or by reason of a profession or any other occupation.

NOTE

When referring to a group insurance plan, the RAMQ uses the term "private plan."

If you had basic prescription drug insurance provided by a **group insurance plan**, you were required to ensure that coverage was provided to your spouse, unless your spouse was already a beneficiary under a group insurance plan.

If you were not covered by basic prescription drug insurance provided by a **group insurance plan**, you must participate in the financing of the Québec prescription drug insurance plan by

- paying the deductible and the co-insurance amount when purchasing prescription drugs; and
- paying a premium under the Québec prescription drug insurance plan when you file your income tax return. The maximum premium for 2005 is \$507.50 per spouse.

If, in 2005, you were eligible for basic prescription drug insurance coverage provided by a **group insurance plan** (that is, coverage at least equivalent to that provided under the Québec prescription drug insurance plan), you were required to be covered by this insurance. If you were not covered, you must pay a premium under the Québec prescription drug insurance plan even if you are not entitled to benefits under the plan. (You could not be covered by the Québec prescription drug insurance plan even if you pay a premium, since you were required to obtain the coverage available to you under the group insurance plan.)

To calculate the premium payable under the Québec prescription drug insurance plan, you must complete Schedule K. You do not have to complete Schedule K or pay a premium if any of the situations below applied to you in 2005. However, you must enter the number corresponding to your situation in box 449 of your return.

If you choose to pay your spouse's premium, you must complete Schedule K. In that case, leave box 449 blank.

- 14 You were covered **throughout the year** by basic prescription drug insurance provided by a group insurance plan (see the definition above).
- 16 You were covered **throughout the year** by basic prescription drug insurance provided by a group insurance plan of which your spouse, your father or your mother was a member.
- 18 You received social assistance payments **throughout the year**.
- 20 Your spouse has provided the required information about you in section 2 of Part B of Schedule K and has chosen to pay your premium (if applicable).
- 22 Throughout the year, you were under 18 years of age and were not married.
- 24 You were an Indian registered with Indian and Northern Affairs Canada, or were recognized as an Inuk by that department.
- 26 Throughout the year, you were a beneficiary under the James Bay and Northern Quebec Agreement or the Northeastern Quebec Agreement.
- 30 You were absent from Québec throughout the year.

32 You did not have a spouse on December 31, 2005, and the amount on line 275 of your return is not over \$12,490.

34 You had a spouse on December 31, 2005, and the total of the amounts on line 275 of your return and your spouse's return is not over \$20,250.

If none of the above situations applied to you, read the information that follows and complete Schedule K.

You had insurance coverage, or were covered by a group insurance plan, that does not reimburse the cost of prescription drugs

You must pay a premium under the Québec prescription drug insurance plan if you had insurance that does not provide basic prescription drug coverage (that is, coverage that is at least equivalent to that provided under the Québec prescription drug insurance plan). This is the case, for example, if you have a complementary plan that reimburses only expenses other than the cost of drugs covered by the Québec prescription drug insurance plan (for example, expenses for hospital care or transportation by ambulance).

You and your spouse were separated

If, throughout 2005, you were covered by basic prescription drug insurance provided by a group insurance plan of which your spouse was a member, and you and your spouse were separated in 2005 because of the breakdown of your relationship, you are not required to complete Schedule K or pay a premium. However, you must enter "16" in box 449 of your return.

Income used to calculate the premium

To determine the income used to calculate your premium under the Québec prescription drug insurance plan, you must take into account the amount on line 275 of your return. If you had a spouse on December 31, 2005 (see the definition at line 12), add the amount on line 275 of your spouse's return.

Dependent child

Person for whom you or your spouse on December 31

- receives the child assistance payment from the Régie des rentes du Québec; or
- is claiming an amount for children enrolled in post-secondary studies on line 27 of Schedule A (or could have claimed an amount if the person had been resident in Québec).

Questionnaire used to determine the number of months for which you are not required to pay the premium

If you were not covered throughout the year by basic prescription drug insurance provided by a group insurance plan, you must complete **section 1 of Part B** of Schedule K, regardless of whether you were a beneficiary under the Québec prescription drug insurance plan.

If you had a spouse on December 31, 2005, you may pay his or her premium, if applicable. In this case, you must provide the required information about your spouse in **section 2 of Part B** and calculate your spouse's premium in **Part C**. Your spouse does not have to file Schedule K, but must enter "20" in box 449 of his or her return.

You were covered by a group insurance plan applicable outside Québec only

If you were covered by a group insurance plan applicable outside Québec only, and were also covered by the Québec prescription drug insurance plan, you are considered not to have been in the situation described on lines 14 and 50 of Schedule K for each month in which you were covered by a plan applicable outside Québec only.

You attended an educational institution on a full-time basis (lines 54 and 68 of Schedule K)

If you were at least 18 years of age but under 26 years of age, were your father's or mother's dependant, were registered for the Québec prescription drug insurance plan by your father or mother, and attended an educational institution (at the secondary, college or university level) on a full-time basis during the winter and fall terms, **you must check** all 12 months of the year, even if you were not enrolled for the summer term. If you were not registered for the winter and fall terms, you must check the months (whether complete or not) included in the period in which you attended such an educational institution full time.

If you had an impairment and you therefore attended, as a duly enrolled student, an educational institution (at the secondary, college or university level) on a part-time basis only, contact Revenu Québec to find out what rules apply.

You were in a residential and long-term care centre governed by the *Act respecting health services and social services* (lines 57 and 71 of Schedule K)

You are considered to be in a residential and long-term care centre if you reside in a hospital or in a facility, maintained by a public institution or a private institution under agreement, that operates a residential and long-term care centre governed by the *Act respecting health services and social services* or by the *Act respecting health services and social services for Cree Native persons*.

You had a functional impairment (lines 58 and 72 of Schedule K)

If you had a functional impairment that had existed since before your eighteenth birthday, did not have a spouse, lived with your mother, father or tutor, were registered for the Québec prescription drug insurance plan by one of those persons and did not receive social assistance payments, and if an attestation of your impairment was submitted to the RAMQ, **you must check** the months (whether complete or not) during which you were in this situation.

For further information, contact the Régie de l'assurance maladie du Québec (RAMQ).

Other situations (lines 59 and 73 of Schedule K)

You do not have to pay a premium if you are in one of the following situations:

- You are a foreign national and are not entitled to be reimbursed for the cost of your prescription drugs by the Québec prescription drug insurance plan.
- You are a French national temporarily living in Québec under the Protocole d'entente Québec-France, and in 2005 you attended on a full-time basis an educational institution recognized by the Ministère de l'Éducation, du Loisir et du Sport.
- You were resident in a province other than Québec throughout 2005, and carried on a business in Québec.
- You were absent from Québec throughout 2005.

Enter "12" on line 62 of Schedule K or, if applicable, on line 76.

If you are in one of the situations below, contact Revenu Québec to find out what rules apply:

- You became a resident of another province in 2005.
- You were resident in Québec on December 31, 2005, but you were also resident in another province during the year.
- You are an immigrant or emigrant.

Special cases

If, in 2005, you received a guaranteed income supplement and you or your spouse received a retroactive payment of the old age security pension or federal supplements (guaranteed income supplement or allowance), you may ask Revenu Québec to determine whether it is to your advantage to have the portion of the payment that applies to previous years deducted from your income subject to the premium payable under the Québec prescription drug insurance plan for 2005. If it is to your advantage, Revenu Québec will make an adjustment to your premium and that of your spouse, if applicable.

If you wish to make such a request, **check box 404** of your return. Also complete form TP-766.2-V, *Averaging of a Retroactive Payment, Support-Payment Arrears or a Repayment of Support*.

If your spouse died in 2005 but is considered to have been your spouse on December 31 (see the definition at line 12), you may choose to pay your spouse's premium. In this case, check box 73 in section 2 of Part B of Schedule K. Also check the months after the month of death. Read lines 64 to 72 and calculate, if applicable, the number of months for which your spouse was not required to pay a premium.

Refund or balance due

451 Québec income tax withheld at source

Enter the amount of Québec income tax withheld at source, as shown in box E of your RL-1 slip, box J of your RL-2 slip, box 16 of your RL-15 slip, box I of your RL-25 slip or box C of your RL-28 slip. The amounts of income tax withheld from employment insurance benefits and from the old age security pension are shown on the T4E slip and the T4A(OAS) slip, respectively.

452 QPP and CPP overpayments

If the amount of your Québec Pension Plan and Canada Pension Plan contributions (line 98) is over \$1,861.20, enter the excess amount on line 452. You may have made an overpayment even if the total amount of your contributions is under \$1,861.20. **In that case, Revenu Québec will calculate the overpayment.**

Make sure you have entered, on line 98 of your return, the amount of your QPP and CPP contributions shown on your information slips.

Special cases

Revenu Québec will calculate the excess amount of your contributions if you

- reached 18 years of age in 2005; or
- were entitled in 2005 to a disability pension under the QPP or the CPP.

453 Income tax paid in instalments

Enter the total of the instalment payments you made to Revenu Québec for 2005. The amount may be shown on form TPZ-1026.A-V, *Instalment Payments Made by an Individual*, which you received for the purposes of your payment for March 2006.

Interest on instalments

Revenu Québec charges interest, which is capitalized daily, on any payment or portion of a payment not made by the due date. Additional interest of 10% per year, capitalized daily, is also charged on any payment or portion of a payment not made by the due date, except where the amount paid corresponds to at least 75% of the payment required.

454 Transferable portion of the income tax withheld for another province

If you were resident in Québec on December 31, 2005, and your employer (or payer) withheld income tax at source for a province or territory other than Québec, you may obtain a credit for part of the total income tax withheld. The credit represents the amount to be transferred by the Government of Canada to Québec under a federal-provincial agreement. To be entitled to this credit, **you must have requested a tax transfer on line 438 of your federal income tax return.** Enter the amount of this transfer.

455 Tax credit for child-care expenses

You may claim the refundable tax credit for child-care expenses if all of the following requirements are met:

- You were resident in Québec on December 31, 2005; **or** you were resident in Canada, outside Québec, on December 31, 2005, and carried on a business in Québec in 2005.
- The child-care expenses were paid to allow you or the other person supporting the child (see the definition below)
 - to carry out the duties of an office or employment;
 - to actively carry on a business;
 - to practise a profession;
 - to carry out research for which you or the other person supporting the child received a grant;
 - to actively seek employment;
 - to attend an educational institution (see the section "Educational institutions" below) **full time**, that is, to be enrolled in an educational program of at least three consecutive weeks, in which the student must devote at least 10 hours per week to courses or assignments related to the program; or
 - to attend an educational institution (see the section "Educational institutions" below) **part time**, that is, to be enrolled in an educational program of at least three consecutive weeks, in which the student must devote at least 12 hours per month to courses related to the program.
- The expenses were paid for 2005, by you or the other person supporting the child, to an individual, a day-care centre, a holiday and recreation centre, a camp or a boarding school, for the care of the child. The child was living with you or with the other person supporting the child at the time the expenses were incurred.
- The child care was provided **in Canada** by a person who was resident in Canada, unless you were living outside Canada temporarily.

To claim this tax credit, **complete Schedule C.**

Other person supporting the child

Person who **lived with you** at some time in 2005 and at some time during the first 60 days of 2006.

NOTES

- This person may be
 - the father or mother of the child;
 - your spouse (see the definition at line 12); or
 - the person claiming, on line 367 of his or her return, an amount with respect to the child.
- If you and your spouse separated in 2005, see the section “You and your spouse separated in 2005” below.

Eligible child

A child born **after** December 31, 1988, or a child (regardless of his or her age) who had an infirmity and was your or your spouse's dependant in 2005.

NOTE

- This person may be
- your or your spouse's child; or
 - a child who was your or your spouse's dependant and whose income for the year did not exceed \$6,365. The child's income is the amount on line 275 of his or her return (or the amount that would have been entered on line 275 if the child had filed a return).

- allowances that you received as a student with a major functional disability. This amount may be shown in the centre of your RL-1 slip after the note “Allowance received by a student with a major functional disability” (or “Allocation reçue par un étudiant gravement handicapé”); and
- employment earnings supplements received under federal government projects.

Child-care expenses that do not give entitlement to the tax credit (Part B of Schedule C)

The following expenses do not give entitlement to the tax credit:

- the **reduced contribution of \$7 per day per child** (set by the government) that was paid for child-care services offered by a child-care centre, a home day-care centre, or a day-care centre, in return for educational and day-care services for young children, or that was paid for basic school day-care services;
- amounts paid to the child's mother or father;
- amounts paid to the other person supporting the child or to a person under 18 who was related to you by blood, marriage or adoption, with the exception of a nephew or niece;
- amounts paid to a person for whom either you or the other person supporting the child is claiming an amount on line 367;
- medical expenses and other expenses paid for medical services, as well as expenses for hospital care and transportation expenses;
- expenses paid for general or specific teaching services;
- clothing expenses and other personal expenses;
- child-care expenses for which another person obtained a tax credit for child-care expenses for the same child;
- expenses that were reimbursed or for which a reimbursement may be claimed, or that were covered by any other form of financial assistance, unless the expenses were included in the income of an individual and cannot be deducted in the calculation of the individual's taxable income;
- expenses that were reimbursed by the Ministère de l'Emploi et de la Solidarité sociale (box J of the RL-5 slip);
- the portion of the child-care expenses for which you received an allowance from the Ministère de l'Emploi et de la Solidarité sociale. The amount of the allowance is shown in the centre of the RL-1 slip after the note “Allowance for child-care expenses” (or “Allocation pour frais de garde”).

You may claim the tax credit only with regard to child-care expenses incurred for the period in 2005 in which you were resident in Canada (unless you were living outside Canada temporarily).

For examples of child-care expenses that give entitlement to the credit, refer to the folder *Refundable Tax Credit for Child-Care Expenses* (IN-103-V).

Child-care expense limit based on eligible children (Part C of Schedule C)

If you or the other person supporting the child paid child-care expenses for a child with a severe and prolonged impairment in mental or physical functions, enclose form TP-752.0.14-V, *Certificate Respecting an Impairment*, if this form has never been filed or the child's health has improved, and if the expenses are over \$7,000 for a child born after December 31, 1998, or over \$4,000 for a child born before January 1, 1999.

Child-care expense limit based on the higher earned income (Part E of Schedule C)

If you are the only person supporting the child, do not complete Part E of Schedule C.

Complete Part E of Schedule C and Part A of work chart 455 only if another person is also supporting the child and the person with the lower earned income in 2005 (whether yourself or the other person) attended an educational

Special cases

1. Special rules apply if the person with the lower earned income (you or the other person supporting the child) attended an educational institution referred to in the section “Educational institutions” **full time** or **part time**, actively carried on a business on a regular and ongoing basis, was in prison, or was unable to take care of the child because of an infirmity. See “Child-care expense limit based on the higher earned income” below.
2. If you were resident in Québec on December 31, 2005, and carried on a business outside Québec (or if you were resident in Canada, outside Québec, and you carried on a business in Québec), your tax credit must be reduced in the same proportion as your income tax payable.
3. If you are the only person supporting the child (that is, you are the head of a single-parent family), if you attended an educational institution **full time** or **part time** in 2005, and if your child-care expenses giving entitlement to the tax credit are limited because of your earned income (Part A of Schedule C), you must also complete Part B of work chart 455.
4. If you and the other person supporting the child attended an educational institution **full time** or **part time** during the same period in 2005, and the child-care expenses giving entitlement to the tax credit are limited because of your earned income or that of the other person supporting the child (Part A of Schedule C), see “Child-care expense limit based on the higher earned income” below. If your earned income and that of the other person supporting the child are equal to zero, contact Revenu Québec.

Earned income (Part A of Schedule C)

Scholarships, bursaries, fellowships and research grants

(lines 13 and 23 of Schedule C)

Enter the **total** of the amounts received as scholarships, bursaries, fellowships, and research grants. The amounts may be indicated in box O of the RL-1 slip.

Other income (lines 16 and 26 of Schedule C)

Enter the **total** of the following types of income that you and the other person supporting the child received in 2005:

- compensation that you received as a volunteer and that is not included in your income. This amount may be shown in the centre of your RL-1 slip after the note “Volunteer – Allowance not included in boxes A and L” (or “Volontaire – compensation non incluse aux cases A et L”);

institution **part time** during a month for which child-care expenses were incurred or was in one of the following situations throughout a week for which child-care expenses were incurred:

- The person attended an educational institution **full time**.
- The person actively carried on a business or practised a profession (as a self-employed person) on a regular and ongoing basis.
- The person was separated on December 31, 2005, because of the breakdown of the relationship, and the separation lasted for a period of at least 90 days that ended before March 1, 2006.
- The person was in prison for at least two weeks.
- The person was unable to take care of the child because of an infirmity that, as certified in writing by a practitioner,
 - was expected to last for an indefinite period; or
 - confined the person to a bed, to a wheelchair or to hospital for a period of at least two weeks.

If the supporting person with the lower earned income in 2005 (whether yourself or the other person) was in one of the above situations, enter in box 59 of Schedule C the appropriate number from the list below:

- 01 The person attended an educational institution **part time**.
- 02 The person attended an educational institution **full time**.
- 03 The person actively carried on a business or practised a profession.
- 04 The person was separated on December 31, 2005.
- 05 The person was in prison for at least two weeks.
- 06 The person was unable to take care of the child because of an infirmity.

You and the other person supporting the child attended an educational institution full time or part time

Complete Part C of work chart 455 if you and the other person supporting the child attended an educational institution **full time** or **part time** during the same period in 2005, and if the child-care expenses giving entitlement to the tax credit are limited because of your earned income (that is, the amount on line 70 of Schedule C is equal to the amount on line 9 of Part A of work chart 455).

Family income (Part F of Schedule C)

Your family income is the amount on line 275 of your return. If you had a spouse on December 31, 2005, you must add the amount on line 275 of your spouse's return.

Tax credit table

Family income (\$)		Tax credit rate %	Family income (\$)		Tax credit rate %	Family income (\$)		Tax credit rate %	Family income (\$)		Tax credit rate %
over	but not over		over	but not over		over	but not over		over	but not over	
0	29,115	75	42,050	43,125	62	56,070	57,145	49	70,080	71,155	36
29,115	30,190	74	43,125	44,200	61	57,145	58,220	48	71,155	72,235	35
30,190	31,270	73	44,200	45,280	60	58,220	59,300	47	72,235	73,310	34
31,270	32,345	72	45,280	46,355	59	59,300	60,375	46	73,310	74,390	33
32,345	33,420	71	46,355	47,430	58	60,375	61,460	45	74,390	75,470	32
33,420	34,500	70	47,430	48,520	57	61,460	62,535	44	75,470	76,545	31
34,500	35,580	69	48,520	49,595	56	62,535	63,610	43	76,545	77,625	30
35,580	36,660	68	49,595	50,680	55	63,610	64,690	42	77,625	78,705	29
36,660	37,735	67	50,680	51,755	54	64,690	65,765	41	78,705	79,780	28
37,735	38,810	66	51,755	52,830	53	65,765	66,845	40	79,780	80,565	27
38,810	39,890	65	52,830	53,910	52	66,845	67,925	39	80,565	or over	26
39,890	40,965	64	53,910	54,990	51	67,925	69,000	38			
40,965	42,050	63	54,990	56,070	50	69,000	70,080	37			

Tax credit for child-care expenses (Part G of Schedule C)

Use the table below to determine the tax credit rate that corresponds to your family income (line 80 of Schedule C). Enter the rate on line 92 of Schedule C.

Proof of payment

To substantiate the child-care expenses claimed, you must provide either the RL-24 slip or a receipt from the individual who received the payments. A receipt from an individual must indicate his or her social insurance number and address and must be signed. If applicable, also indicate the individual's relationship to you. Enclose your RL-24 slips or receipts with your income tax return.

Educational institutions

The following educational institutions are covered by the tax credit:

1. an institution at which one of the persons supporting the child was enrolled in a secondary-level program;
2. an institution at which one of the persons supporting the child was enrolled in a post-secondary program;
3. an institution recognized by the Minister of Revenue, if one of the persons supporting the child was enrolled at the institution for the purpose of acquiring or upgrading skills necessary for a remunerated activity;
4. a university outside Canada that one of the persons supporting the child attended full time for at least 13 consecutive weeks (the course of study must lead to the awarding of a diploma);
5. an institution in the United States at which one of the persons supporting the child was enrolled in a post-secondary program, provided the person lived in Canada near the U.S. border throughout 2005 and regularly commuted between his or her home and the institution.

The educational institutions referred to in points 2 and 3 must be located in Canada, unless, during the period for which the child-care expenses were paid, the person was living outside Canada temporarily.

Division of the tax credit for child-care expenses

You and your spouse on December 31, 2005, may divide the amount of the credit. To do so, you must each complete your own Schedule C.

You and your spouse separated in 2005

If you and your spouse separated in 2005, and have not resumed living together, or resumed living together only after March 1, 2006, your spouse is not considered to be the other person supporting the child for 2005. However, if you were separated on December 31, 2005, because of the breakdown of your relationship, but the separation lasted less than 90 days, you must include your spouse's income (line 275 of his or her return) in the calculation of family income.

Advance payments of the tax credit for child-care expenses

If you received advance payments of the tax credit for child-care expenses in 2005, enter on line 441 the amount shown in box B of your RL-19 slip.

You were a non-resident of Canada for part of 2005

Under certain conditions, you may claim the tax credit for child-care expenses if you were resident in Québec on the date you ceased to reside in Canada in 2005. This is also the case if you were resident in Canada, outside Québec, on the date you ceased to reside in Canada, and you carried on a business in Québec in 2005.

If you were resident in Québec on the date you ceased to reside in Canada and you carried on a business outside Québec (or if you were resident in Canada, outside Québec, and you carried on a business in Québec), your tax credit must be reduced in the same proportion as your income tax payable.

If you or your spouse on December 31, 2005, did not reside in Canada throughout the year, you must take into account, in calculating your family income (Part F of Schedule C), all of the income that you and your spouse earned, including income earned during the period in which you were not resident in Canada.

Allowance paid for child-care expenses by the Ministère de l'Emploi et de la Solidarité sociale

If, in calculating your child-care expenses for a previous year, you included the amounts paid to you by the Ministère de l'Emploi et de la Solidarité sociale as an allowance for child-care expenses, and if you were required to reimburse those amounts, you may ask Revenu Québec to revise your tax credit for child-care expenses for the year in which you received the allowance. To do so, complete and file form TP-1.R-V, *Request for an Adjustment to an Income Tax Return*.

456 Tax credit respecting the work premium

You may claim the tax credit respecting the work premium if you meet **all of the following conditions**:

- You were resident in Québec on December 31, 2005, and are a Canadian citizen, an Indian registered as such under the *Indian Act*, a permanent resident within the meaning of the *Immigration and Refugee Protection Act* or a person on whom Canada has conferred refugee protection under that Act.
- You were born before January 1, 1988 (or you were born after December 31, 1987, and had a spouse on December 31, 2005, were the parent of a child who lived with you, or were recognized as an emancipated minor by a competent authority such as a court).
- You or your spouse on December 31, if applicable, is reporting employment income or business income.
- No one received the child assistance payment from the Régie des rentes du Québec with regard to you, unless you reached the age of 18 before December 1, 2005.

- No one claimed, with regard to you, an amount for children enrolled in post-secondary studies on line 27 of Schedule A.
- No one designated you as a dependent child on line 54 of Schedule P, for purposes of the tax credit respecting the work premium.
- No one claimed, with regard to you, a credit for individuals living in northern villages on line 23 of Schedule I.

To claim this tax credit, **complete Schedule P**.

Designated child (line 54 of Schedule P)

For purposes of the tax credit respecting the work premium, you may designate as your dependant

- a child for whom you or your spouse on December 31 received the child assistance payment from the Régie des rentes du Québec;
- a child for whom you or your spouse is claiming (or could claim were it not for the child's income) an amount for children enrolled in post-secondary studies on line 27 of Schedule A;
- a child who was born after December 31, 1987, and who ordinarily lived with you, does not have a child of his or her own with whom he or she lives, and is not recognized as an emancipated minor by a competent authority such as a court.

Where **custody of the child is shared** under a judgment or written agreement, the child is considered to ordinarily live with you only if, for the year, you have custody at least 30% of the time.

Advance payments of the tax credit respecting the work premium

If you received advance payments of the tax credit respecting the work premium in 2005, enter on line 441 the amount shown in box A of your RL-19 slip.

Special case

If you or your spouse on December 31, 2005, did not reside in Canada throughout the year, you must take into account, in calculating your total income (Part B of Schedule P), all of the income that you and your spouse earned, including income earned during the period in which you were not resident in Canada.

459 QST rebate for employees and partners

If, in 2005, you were an employee or a partner (member of a partnership), you may, under certain conditions, obtain a Québec sales tax (QST) rebate with respect to the expenses you deducted on line 164 or 207.

You may also, under certain conditions, claim a rebate of the QST applicable to the professional dues that you included on line 373, or could have included on line 373 if all of the income from your employment or the operation of your business had not been excluded or deductible in the calculation of your taxable income.

To claim the rebate, complete form VD-358-V, *Québec Sales Tax Rebate Application for Employees and Partners*.

If you are entitled to a rebate for expenses that you deducted on line 207, see point 4 in the instructions for line 107.

460 Property tax refund

You may be entitled to a property tax refund if you meet **both** of the following requirements:

- You were resident in Québec on December 31, 2005.
- You (or your spouse, provided he or she was living with you on December 31, 2005) were the owner, tenant or subtenant of an eligible dwelling in which you were living on that date.

The property taxes to be entered on line 62 of Schedule B include the school taxes and municipal taxes applicable to the dwelling, minus any portion of the taxes that is refundable in any manner whatsoever.

Property taxes

Taxes that a municipality or a school board levies for, among other things, water, sewers, garbage collection and upkeep of roads and streets; taxes for a specific sector to cover public services and facilities; financing taxes levied by municipalities and urban communities; taxes for the operation of schools; and the tenant's tax. However, property taxes do not include transfer duties.

Owner

The person registered as such at the Bureau de la publicité des droits (formerly the Bureau d'enregistrement).

Tenant or subtenant

The person responsible for paying the rent.

Eligible dwelling

A dwelling located in Québec, **other than** (among others)

- a secondary residence (a cottage, for example);
- a dwelling in low-rental housing;
- a dwelling in respect of which an amount is paid toward rent by a public agency;
- a room located in a dwelling where fewer than three rooms were offered for rent to persons dealing at arm's length with the landlord;
- a dwelling located in a hospital centre, a residential and long-term care centre or a rehabilitation centre governed by the *Act respecting health services and social services*.

If you were the **co-owner** or **co-tenant** of a dwelling, please note that the amount of property taxes may be taken into account by a single co-owner or co-tenant, or divided among the co-owners or co-tenants as agreed on.

If you were the **subtenant** of your dwelling, specific rules apply to your situation. For further information, contact Revenu Québec.

In the following table, find the maximum **family income** that corresponds to the property taxes applicable to the dwelling, and compare this amount with your family income. Your family income is the amount on line 275 of your return plus, if applicable, the amount that your spouse on December 31, 2005 (see the definition at line 12), entered on his or her return.

If your family income is equal to or higher than the maximum family income, **you are not entitled to the property tax refund**. If it is lower, **complete Parts A and E of Schedule B**.

You did not receive an RL-4 slip

If, on December 31, 2005, you were a tenant or subtenant of an eligible dwelling, and you have not received an RL-4 slip by mid-March 2006, ask your landlord for one. If you are unable to obtain an RL-4 slip, enter on line 61 of Schedule B the amount of your rent for December 2005, and enclose a note indicating your landlord's name and address.

Maximum family income, according to family situation and the amount of property taxes

Individual who had a spouse on December 31, 2005			Individual who did not have a spouse on December 31, 2005		
Property taxes (\$)		Maximum family income (\$)	Property taxes (\$)		Maximum family income (\$)
from	to		from	to	
920	1,020	29,363	460	560	29,363
1,021	1,120	30,830	561	660	30,763
1,121	1,220	32,163	661	760	32,097
1,221	1,320	33,497	761	860	33,430
1,321	1,420	34,830	861	960	34,763
1,421	1,520	36,163	961	1,060	36,097
1,521	1,620	37,497	1,061	1,160	37,430
1,621	1,720	38,830	1,161	1,260	38,763
1,721	1,820	40,163	1,261	1,360	40,097
1,821	1,920	41,197	1,361	1,460	41,430
1,921	2,020	42,830	1,461	1,560	42,763
2,021	2,120	44,163	1,561	1,660	44,097
2,121	2,220	45,497	1,661	1,760	45,430
2,305	or over	46,630	1,845	or over	46,563

Special case

If you or your spouse on December 31, 2005, did not reside in Canada throughout the year, you do not have to reduce the amount on line 69 of Schedule B in proportion to your period of residence in Canada during 2005. However, to determine your net family income (Part A of Schedule B), you must take into account all of the income you and your spouse earned, including income earned during the period in which you were not resident in Canada.

462 Other credits

Enter on line 462 the amount of the credit or credits to which you are entitled. In box 461, enter the number in the list below that corresponds to the credit. If you are claiming more than one credit, enter "99" in box 461.

- 01 Refundable tax credit for medical expenses
- 02 Tax credit respecting the housing of a parent
- 03 Tax credit for taxi drivers and taxi owners
- 04 Tax credit for the modernization of the taxi fleet
- 05 Property tax refund for forest producers
- 06 Tax credit for adoption expenses
- 07 Tax credit for an on-the-job training period
- 08 Tax credit for the repayment of benefits
- 09 Tax credit respecting the income tax paid by an environmental trust
- 10 Tax credit respecting the reporting of tips
- 11 Tax credit respecting the treatment of infertility
- 12 Tax credit for a recent graduate working in a remote resource region
- 13 Tax credit respecting the apprenticeship period of a specialized IFC employee
- 14 Tax credit for the hiring of a recent graduate in a remote resource region
- 15 Tax credit for scientific research and experimental development
- 17 Tax credit respecting home-support services for seniors
- 18 Tax credit for a top-level athlete
- 19 Tax credit respecting income from an income-averaging annuity for artists

1. Refundable tax credit for medical expenses

You may be entitled to the refundable tax credit for medical expenses if you meet the following conditions:

- You were resident in Québec on December 31, 2005.
- You were resident in Canada throughout 2005.
- You were aged 18 or over on December 31, 2005.
- Your work-related income (see the paragraph below) is **equal to or higher than \$2,500**.
- You entered an amount on line 381 or you claimed the disability supports deduction on line 250.

Work-related income

To find out whether your work-related income is **equal to or higher than \$2,500**, complete the work chart below.

In the **following table**, find the maximum family income that corresponds to your medical expenses (line 36 of Schedule B) plus, if applicable, the disability supports deduction (line 250, point 7). Compare this amount with your **family income**, that is, the amount on line 275 of your return plus, if applicable, the amount your spouse on December 31, 2005 (see the definition at line 12) entered on line 275 of his or her return.

If your family income is equal to or higher than the maximum family income, you are not entitled to the refundable tax credit for medical expenses. If it is lower, **complete Parts A and D of Schedule B**.

Maximum family income, according to the amount of medical expenses

Medical expenses (\$)		Maximum family income (\$)	Medical expenses (\$)		Maximum family income (\$)
from	to		from	to	
1	1,486	22,865	2,637	2,866	28,865
1,487	1,716	23,865	2,867	3,096	29,865
1,717	1,946	24,865	3,097	3,326	30,865
1,947	2,176	25,865	3,327	3,556	31,865
2,177	2,406	26,865	3,557	3,786	32,865
2,407	2,636	27,865	3,787	4,016 or +	33,865

Special case

If your spouse on December 31, 2005, did not reside in Canada throughout the year, you must take into account, in calculating your family income (Part A of Schedule B), all of your spouse's income, including the income your spouse earned during the period in which he or she was not resident in Canada.

2. Tax credit respecting the housing of a parent

You may claim a refundable tax credit of \$550 for each parent (see the definition below) who lived with you in a dwelling (see the definition at line 361) that you or your spouse owned, rented or sublet, provided

- you were resident in Québec on December 31, 2005; and
- no one, other than your spouse, is claiming an amount with regard to you on line 367, 378, 381 or 386 of his or her income tax return.

Parent

A person

- who was born before January 1, 1936, and lived with you for a period of at least 365 consecutive days, including at least 183 days in 2005; or
- who was born before January 1, 1946, had a severe and prolonged impairment in mental or physical functions (see the instructions for line 376), and lived in your home (or in your home and also in the home of another person of whom he or she is a parent) for a period of at least 365 consecutive days, including at least 183 days in 2005. Where applicable, refer to the section "Parent who lived in the home of more than one person" below.

NOTES

- The parent may be
 - your or your spouse's father, mother, grandfather or grandmother, or any other of your or your spouse's direct ascendants ; or
 - your or your spouse's uncle, aunt, great-uncle or great-aunt.
- The period of 365 consecutive days must have begun in 2004 or 2005. If it began in 2005, it may end in 2006.

To claim the tax credit, complete Schedule H. Please note that the parent's income is not taken into consideration in determining whether you are entitled to the credit or in calculating the amount of the credit.

Parent who lived in the home of more than one person

If your parent lived in your home and, at another time, in the home of another person of whom he or she is also a parent, you may claim the credit if

- the parent was born before January 1, 1946;
- the parent has a severe and prolonged impairment in mental or physical functions (see the instructions for line 376);
- the parent lived in your home for a period of at least 90 consecutive days in 2005;

Work chart

Employment income (lines 101, 105 and 107)				1		
Wage loss replacement benefits included on line 107	2					
Deductions claimed on lines 205 and 207	+	3				
Add lines 2 and 3.	=	4				
Subtract line 4 from line 1. If the result is negative, enter 0.				▶	4	
Net income from self-employment (lines 23 through 26 of Schedule L). Do not take losses into account.				=	5	
Income supplement received under a government work-incentive project (line 154, point 2)				+	6	
Add lines 5 through 7. If the result is less than \$2,500, you are not entitled to the refundable tax credit for medical expenses.				+	7	
				=	8	

- the parent lived in your home and in the home of the other person for a period of at least 365 consecutive days, at least 183 of which (including the period of at least 90 days spent in your home) were in 2005; and
- the other home in which the parent lived was owned, rented or sublet by the other person or the other person's spouse.

The period of 365 consecutive days must have begun in 2004 or 2005. If it began in 2005, it may end in 2006.

Division of the tax credit

If another person is also entitled to the tax credit for the same parent, you and that person may have to divide the amount of the credit.

To claim the tax credit, enclose the following documents with your income tax return:

- Schedule H, if the parent lived with you for a period of at least 365 consecutive days, including at least 183 days in 2005. If the parent was born after December 31, 1935, but before January 1, 1946, also enclose form TP-752.0.14-V, *Certificate Respecting an Impairment* (unless the form was filed previously); or
- form TP-1029.8.54-V, *Tax Credit Respecting the Housing of a Parent*, if you are claiming the credit for more than two parents, and form TP-752.0.14-V (where applicable).

3. Tax credit for taxi drivers and taxi owners

TAXI DRIVERS

You may claim a tax credit for taxi drivers if, on December 31, 2005, you were resident in Québec and one of the following situations applied to you:

- You held a taxi driver's permit during the year, and you did not hold a taxi owner's permit on December 31, 2005.
- You held a taxi driver's permit during the year, and you held at least one taxi owner's permit on December 31, 2005. In addition, during the portion of the year in which you held the taxi owner's permit or permits, you paid **less than 90%** of the fuel costs for the taxi covered by each permit.

The **maximum** credit you may claim is \$500.

TAXI OWNERS

You may claim a tax credit for taxi owners if, on December 31, 2005, you held at least one taxi owner's permit and, during the portion of the year in which you held the permit, you paid **at least 90%** of the fuel costs for the taxi covered by the permit.

The **maximum** credit you may claim is \$500 for each taxi owner's permit you held, provided you paid **at least 90%** of the fuel costs for the taxi covered by the permit.

Taxi owner's permit issued in the name of more than one person

If the taxi owner's permit you hold was issued in the name of more than one person, the permit holders must designate one person as the sole permit-holder for the purposes of claiming the credit. Use form TP-1029.9-V to make this designation.

To claim the tax credit, complete form TP-1029.9-V, *Tax Credit for Taxi Drivers and Taxi Owners*.

4. Tax credit for the modernization of the taxi fleet

You may claim a tax credit for the modernization of the taxi fleet if you meet both of the following conditions:

- You held a taxi owner's permit that applies to at least one eligible vehicle in 2005.
- You received from the Société de l'assurance automobile du Québec (SAAQ) a document containing information on your vehicles eligible for the tax credit.

Taxi owner's permit

A taxi permit referred to in the *Act respecting transportation by taxi*, including a limousine permit or other specialized taxi permit referred to in the Act.

Eligible vehicle

A motor vehicle that is no more than five years old, is purchased or leased before January 1, 2006, and is registered as a taxi.

NOTE

For 2005, a motor vehicle is considered to be no more than five years old if it was first registered after 1999.

The maximum credit you may claim is \$500 for each taxi owner's permit that applies to such a vehicle.

To claim the tax credit, complete form TP-1029.9.3-V, *Tax Credit for the Modernization of the Taxi Fleet*.

Special case

Where a motor vehicle was first registered outside Québec, the date of first registration is considered to be the earlier of the following dates:

- the date the vehicle was first registered in Québec; or
- January 1 of the model year of the vehicle.

This rule may be waived if the holder of the taxi owner's permit provides Revenu Québec with a document from a competent government authority indicating the date on which the vehicle in question was first registered as a road vehicle outside Québec. For further information, contact Revenu Québec.

5. Property tax refund for forest producers

If, in 2005, you were a forest producer certified under the *Forest Act*, were actively engaged in developing your woodlots, and held a valid certificate issued for this purpose by the Minister of Natural Resources and Wildlife, you may claim a refund for each assessment unit listed on your certificate, provided the entire portion of the unit that is a forest area is registered with the Ministère des Ressources naturelles et de la Faune. To calculate the amount of your refund, **complete Part C of Schedule E**.

The **value of the land** and the **total value of the unit** are the values stated on the assessment roll in effect for the fiscal period of a municipality or school board.

The **total amount** of property taxes respecting immovable property included in the assessment units listed on your certificate is equal to the total of the following amounts, provided you did not apply for a refund of these amounts for 2004:

- the municipal taxes paid for 2005;
- the school taxes paid for 2004-2005 or 2005-2006; and
- the municipal taxes for 2006 paid before April 30, 2006.

To be entitled to the refund, you must have a report prepared by a forest engineer, stating your eligible development expenses (within the meaning of the *Forest Act*) for 2005, or you must have eligible development expenses in reserve. The expenses must be equal to or higher than the amount of property taxes for which the refund may be claimed. You must file with your income tax return the **receipted original of your property tax invoices (or a certified copy of the original)** for each unit for which you are claiming a refund. If the assessment of your land is not shown on the invoices, also enclose a copy of the assessment notice issued by your municipality. **You must also enclose a copy of the forest engineer's report for 2005.**

Carry-forward of development expenses

The eligible development expenses incurred in a calendar year after 1996 may be claimed in any of the ten subsequent years, provided you were entitled to a property tax refund for the year in which the expenses were incurred. If you were not entitled to a refund for the year in which the expenses were incurred, the expenses may be carried forward two years only.

Special case

If the total amount of property taxes for an assessment unit is higher than the amount on line 25 of Schedule E, you may verify whether you are entitled to the refund by taking into account only the municipal or school taxes for the unit concerned.

6. Tax credit for adoption expenses

You may claim a refundable tax credit with regard to each child for whom you incurred **adoption expenses giving entitlement to a tax credit**, if you were resident in Québec on December 31, 2005, and if one of the following conditions is met:

- An adoption order, establishing a bond of filiation between you and another person, was handed down in 2005 by a court having jurisdiction in Québec.
- An adoption order handed down outside Québec received legal recognition in Québec in 2005.
- The clerk of the Court of Québec issued you a certificate in 2005 attesting to the registration of the adoption of a child who was domiciled in the People's Republic of China when the adoption took place.

This tax credit is equal to 30% of the adoption expenses giving entitlement to a tax credit. The maximum credit is \$6,000 per child.

To claim the tax credit, complete form TP-1029.8.63-V, *Tax Credit for Adoption Expenses*.

7. Tax credit for an on-the-job training period

If you or a partnership of which you were a member carried on a business in Québec and paid wages to a trainee, an apprentice or a supervisor of trainees, you may be entitled to a refundable tax credit for an on-the-job training period with regard to your qualified expenditures.

To claim the tax credit, complete form TP-1029.8.33.6-V, *Tax Credit for an On-the-Job Training Period*.

8. Tax credit for the repayment of benefits

If, in 2005, you repaid benefits that you received in a previous year under the Québec Pension Plan (QPP), the Canada Pension Plan (CPP), the *Unemployment Insurance Act* or the *Employment Insurance Act*, you may ask Revenu Québec to calculate whether it is more advantageous for you to use the repayment to reduce your 2005 income or to obtain a tax credit for the averaging of the deduction. To make such a request, **enter the amount of the repayment on line 250 and enter "08" in box 461**. Enclose a note specifying the year to which the repayment applies. Also enclose the documents attesting to the repayment.

9. Tax credit respecting the income tax paid by an environmental trust

If you included in your income amounts allocated to you by a mining reclamation trust or a trust related to the reclamation of property, whose funds were maintained in order to reclaim landfill sites or quarries from which aggregate or similar materials are extracted, you may claim a refundable tax credit respecting the income tax paid by the trust.

To claim the tax credit, complete form CO-1029.8.36.53, *Crédit d'impôt relatif à l'impôt payé par une fiducie pour l'environnement*.

10. Tax credit respecting the reporting of tips

If you or a partnership of which you were a member carried on a business in the restaurant and hotel sector in Québec, you may be entitled to a refundable tax credit for the employer contributions that you or the partnership paid to the federal and Québec governments with regard to the tips received by employees (or the tips allocated to employees) in the course of their duties and with regard to the portion of earned vacation pay that is related to the tips.

The tax credit may also be claimed with respect to the employer contributions paid with regard to the tips received by an employee in cases where you control substantially all of the employee's tips because service charges are added to the customer's bill. In this case, the following conditions must be met:

- The tip required of the customer is, in substantially all cases, equal to at least 10% of the sales on which a tip can be calculated.
- The customer is informed that the tip is compulsory and is made aware of the percentage charged.
- Any tip-sharing arrangement in effect is administered by you.

The employer contributions that give entitlement to this credit are those paid under the following laws:

- the *Act respecting the Québec Pension Plan*;
- the *Act respecting the Régie de l'assurance maladie du Québec*;
- the *Employment Insurance Act*;
- the *Act respecting labour standards*;
- the *Act respecting industrial accidents and occupational diseases*.

To claim the tax credit, complete form TP-1029.8.33.13-V, *Tax Credit with Respect to the Reporting of Tips*.

11. Tax credit respecting the treatment of infertility

You may be entitled to a refundable tax credit for expenses related to artificial insemination or in vitro fertilization. The credit is equal to 30% of the expenses giving entitlement to a tax credit. The maximum credit is \$6,000 per year.

To be entitled to the credit, you must meet the following conditions:

- You were resident in Québec on December 31, 2005.
- The expenses were paid in 2005 by you or your spouse for treatments undertaken in order to become parents. Do not take into account expenses for which you or your spouse received a refund or is entitled to a refund, unless the amount of the refund is included in your or your spouse's income.

To claim the tax credit, complete form TP-1029.8.66.2-V, *Tax Credit Respecting the Treatment of Infertility*.

12. Tax credit for a recent graduate working in a remote resource region

You may be entitled to a tax credit for a recent graduate working in a remote resource region if, on December 31, 2005, you were resident in a remote resource region of Québec and you met the following conditions:

- You took up the duties relating to the eligible employment within 24 months following the date on which you successfully completed the training leading to a recognized diploma.
- You ordinarily worked at (or ordinarily reported to) the employer's establishment located in a remote resource region.
- You took up the duties relating to the eligible employment after March 11, 2003.

This tax credit is equal to 40% of the eligible salary or wages. The maximum credit is \$8,000.

To claim the tax credit, complete form TP-1029.8.ND-V, *Tax Credit for a Recent Graduate Working in a Remote Resource Region*.

13. Tax credit respecting the apprenticeship period of a specialized IFC employee

If, in 2005, you were a member of a partnership that operated an international financial centre (IFC) in Québec, and the partnership paid a salary or wages to an eligible specialized employee, you may be entitled to a tax credit respecting the employee's apprenticeship period.

Eligible specialized employee

An employee regarding whom the Ministère des Finances has issued an eligibility certificate and whose contract provides for at least 26 hours of work per week.

14. Tax credit for the hiring of a recent graduate in a remote resource region

If you or a partnership of which you were a member carried on a business in a remote resource region and paid a salary or wages to a recent graduate whom you hired after March 11, 2003, but before June 13, 2003, you may be entitled to a refundable tax credit.

15. Tax credit for scientific research and experimental development

If you or a partnership of which you were a member operated a business in Canada and carried out scientific research and experimental development or had such research and development carried out on your behalf, you may be entitled to a refundable tax credit.

To claim the tax credit, complete form RD-1029.7, *Crédit d'impôt relatif aux salaires – R-D*.

17. Tax credit respecting home-support services for seniors

You may be entitled to a refundable tax credit for expenses related to home-support services for seniors. The credit is equal to 23% of the expenses giving entitlement to a tax credit. The maximum credit is \$2,760.

In order for you to be entitled to the tax credit, the following conditions must be met:

- You were resident in Québec on December 31, 2005.
- You were 70 years of age or older in 2005.
- The eligible expenses were paid for by means of the service employment paycheque, a payment mechanism administered by the Services de paie Desjardins.

To claim the tax credit, enter on line 462 of your income tax return the amount shown on line 442.

For further information, consult the brochure *The Tax Credit Respecting Home-Support Services for Seniors* (IN-102-V).

Special case

Enter on line 462 the amount of the credit to which you are entitled for 2005, even if the amount is different from the amount on line 442.

18. Tax credit for a top-level athlete

If you were resident in Québec on December 31, 2005, and, for 2005, were recognized by the Secrétariat au loisir et au sport as a top-level athlete, you may be entitled to a refundable tax credit. Only the athlete may claim this credit.

To claim the tax credit, enter on line 462 the amount indicated in this regard on the certificate issued to you by the Secrétariat au loisir et au sport. Enclose the certificate with your income tax return.

19. Tax credit respecting income from an income-averaging annuity for artists

If you were resident in Québec on December 31, 2005, and you included in your income amounts from an income-averaging annuity for artists, you may be entitled to a refundable tax credit if income tax was deducted at source from the annuity.

Enter the amount shown in the centre of your RL-2 slip, after the note "Special tax deducted at source" (or "Impôt spécial retenu").

474

If you entered an amount on line 474, you are entitled to a refund. However, Revenu Québec may, without your consent, apply all or a portion of your refund to the payment of any amount you owe to the government under a law administered by Revenu Québec, or under one of the following laws:

- the *Act respecting the Société d'habitation du Québec*;
- the *Act respecting income support, employment assistance and social solidarity*;
- the *Act to facilitate the payment of support*;
- the *Act respecting financial assistance for education expenses*;
- the *Act respecting family benefits*.

476 Refund transferred to your spouse

If you entered an amount on line 474 and you had a spouse on December 31, 2005 (see the definition at line 12), you may choose to transfer all or a portion of your refund to your spouse. The amount you transfer **cannot exceed** the amount your spouse entered on line 475 of his or her return.

If you are making such a transfer, **note the following points**:

- You will not be able to cancel the transfer or reduce the amount transferred to your spouse.
- If you transfer a portion of your refund, you will not be able to request an accelerated refund for the amount remaining.

Before transferring any portion of your refund to your spouse, Revenu Québec may, without your consent, apply all or a portion of your refund to the payment of any amount you owe to the government under the laws referred to above. Also, if Revenu Québec makes an adjustment to the amount of your refund (line 474), the amount transferred to your spouse will be reduced only if the revised amount of your refund is less than the amount you chose to transfer.

If you wish to transfer an amount to your spouse, enter the amount on line 476. Revenu Québec will apply the amount to the payment of your spouse's balance due (line 475 of his or her return).

478 Refund

If you are entitled to a refund, wait until the beginning of April before contacting Revenu Québec to inquire about your return. If you file your return after March 31, 2006, wait four weeks before contacting Revenu Québec.

Revenu Québec does not pay refunds of less than \$2.

Refund Info-Line

If you are entitled to a refund, you may use the Refund Info-Line service to find out the date on which you can expect your refund. This service is available 24 hours a day. To reach the Refund Info-Line, call **1 888 811-7362** (toll-free). However, call **418 654-9754** if you are in the Québec City area, or **514 864-3689** if you are in the Montréal area.

To obtain information on your refund, you must enter, on a push-button telephone, your social insurance number, the month and year of your birth, and the amount on line 199 of your return (dollar amount only).

You may also consult the Refund Info-Line on our Web site, at the following address: www.revenu.gouv.qc.ca.

Direct deposit

Requesting direct deposit

If you request direct deposit and you have an account at a financial institution located in Québec, Revenu Québec can deposit any income tax refund to which you are entitled directly in your account. The refund will be deposited at the time your notice of assessment is issued, or before that if you are claiming an accelerated refund.

Direct deposit makes sense, because it

- eliminates the risk of cheques being lost or stolen;
- guarantees that your income tax refund and (where applicable) payments of the OST credit or the credit for individuals living in northern villages and advance payments of the tax credit respecting the work premium or the tax credit for child-care expenses will be deposited in your account, even if there is a postal strike or you are sick or away from home.

To start direct deposit, you must enclose with your return a blank cheque on which you have written the word "VOID" across the front. The cheque must also indicate your name and social insurance number. If you are unable to provide a cheque, complete form LM-3-V, *Request for Direct Deposit*.

Attach your cheque or form LM-3-V to page 1 of your return.

Please note that Revenu Québec may refuse to grant a request for direct deposit.

Changing your account information

If you already have direct deposit service (for your income tax return and, where applicable, your OST credit, the credit for individuals living in northern villages, or advance payments of the tax credit respecting the work premium or the tax credit for child-care expenses) and you wish to have your payments deposited in a different account, simply attach a blank cheque on which you have written the word "VOID" across the front and which also indicates your name and social insurance number. If you are unable to provide a cheque, complete and attach form LM-3-V, *Request for Direct Deposit*.

Cancelling direct deposit

Your direct deposit request will remain in effect until you cancel it. You may request cancellation of direct deposit in writing, by telephone or in person.

480 Accelerated refund

Revenu Québec offers you the opportunity to apply for an accelerated refund, that is, to request that your refund be sent to you before your income tax return is processed. However, this means that the amount of your refund could be changed further to the review of your return.

You may apply for the accelerated refund if you meet **all** of the following conditions:

- You are claiming, on line 474 of your return, a refund of \$3,000 or less.
- You filed an income tax return for the 2004 taxation year.
- There has been no change to your name or social insurance number since you filed your 2004 return.
- You have no debt to Revenu Québec or to any other government body.
- You did not go bankrupt after 2004.
- You did not file a proposal in bankruptcy or a consumer proposal after 2004.
- You are not entering an amount on line 476 of your return.
- You file your 2005 income tax return before May 1, 2006, or before June 15, 2006, as applicable.

Please note that Revenu Québec may refuse to grant an accelerated refund.

If you wish to apply for an accelerated refund, carry the amount from line 474 of your return to line 480.

If you apply for an accelerated refund, it may take Revenu Québec **longer to issue your notice of assessment**. Also, if you authorized Revenu Québec to transmit certain information concerning you to other government departments or agencies for the purposes of certain aid programs (such as financial assistance for students or for child care), the transmission of the information could take longer.

If, after a review of your return, Revenu Québec issues a notice of assessment indicating a balance due, you may be required to pay interest on the balance.

Balance due

475

If you entered an amount on line 475, you have a balance due.

477 Amount transferred by your spouse

If you entered an amount on line 475 and your spouse on December 31, 2005 (see the definition at line 12), chooses to apply all or a portion of his or her refund to your balance due, enter the amount to be transferred on line 477 of your return.

If your spouse is transferring all or a portion of his or her refund to you, **note the following points**:

- The amount transferred cannot exceed your balance due for the year (line 475).
- The amount transferred will be applied to your balance due only when Revenu Québec issues your spouse's notice of assessment.

Please note that if your spouse has a debt to the government under any of the laws referred to previously (see the instructions for line 474), Revenu Québec may, without your spouse's consent, apply all or a portion of his or her refund to this debt before transferring an amount to you.

479 Balance due

You have a number of options for paying your balance due. You are not required to pay a balance due of less than \$2. Please note that interest is charged on any balance that has not been paid by April 30, 2006.

Payment by cheque or money order

Make your cheque or money order payable to the **Minister of Revenue of Québec** and **attach it to page 1 of your income tax return**. Be sure to indicate your social insurance number on the front of your cheque or money order, but do not indicate "final payment."

Online payment

You can pay your balance due online through certain financial institutions. For further information, consult our Web site at the following address: www.revenu.gouv.qc.ca.

Payment at your financial institution

You may pay your balance due in person at a financial institution. If you received an identification label, use the accompanying remittance slip (TPF-1026.0.1-V). If you did not receive this remittance slip, you may order a remittance slip (TPZ-1026.0.1.Q-V or TPZ-1026.0.1.M-V) from Revenu Québec. The slip can be ordered by telephone or online.

If you or your spouse is reporting business income, see "Filing date" in the instructions for line 164.

Social insurance number

Please indicate your social insurance number on the front of your cheque or money order to ensure that Revenu Québec will credit your payment correctly.

Dating of cheques

If you make your payment by cheque, **please print the name of the month in block letters**.

John Doe
62, rue Easy
Québec (Québec) E2G 3C8

Folio 00000

Date APRIL 30, 2006

\$ _____

_____ DOLLARS
100

NSF cheques

If your cheque is not honoured by your financial institution because there are not sufficient funds in the account on which it is drawn, a fee of **\$35** is charged. This fee is payable as of the date of refusal by the financial institution, and bears interest as of that date.

Instalment payments

You are required to make instalment payments in 2006 (covering your income tax, your contributions to the Québec Pension Plan and the health services fund, and your premium under the Québec prescription drug insurance plan) if the net income tax that you estimate you will have to pay for 2006 is over \$1,200, and

- your net income tax payable for 2005 is over \$1,200; or
- your net income tax payable for 2004 was over \$1,200.

Net income tax payable

As a rule, the income tax payable for the year, minus the income tax withheld at source and the refundable tax credits (excluding the property tax refund) for the same year.

If we determine that you must make instalment payments for 2006, we will send you, for the second half of the year, two copies of form TPZ-1026.A-V, *Instalment Payments Made by an Individual*. The amount of your two instalment payments will be calculated on the basis of your income tax return for 2005. If you prefer to calculate your instalment payments yourself, obtain form TP-1026-V, *Calculation of Instalment Payments to Be Made by Individuals*.

Your payments must be made no later than the fifteenth day of March, June, September and December of 2006. Revenu Québec charges interest, which is capitalized daily, on any payment (or portion of a payment) not made by the due date. For further information, obtain the folder *Instalment Payments of Income Tax* (IN-105-V).

Signature

Remember to sign your return and enter the date and your telephone numbers. There are penalties for filing a false return.

This guide does not constitute a legal interpretation of legislative provisions.

Principal subjects covered in the guide

SUBJECT	LINE	SUBJECT	LINE
A ccelerated refund	480	Interest paid on a student loan	385
Address	1 to 9	Investment income (dividends and interest).....	128, 130
Adoption expenses.....	462	L abour adjustment benefits.....	154, 250, 402
Alternative minimum tax	432	Legal fees	207, 250
Annuities (ordinary).....	122, 154	Lifelong Learning Plan (LLP).....	154, 214
B ankruptcy (page 7)	21	Losses from other years	289, 290
Bursaries.....	154, 250, 276, 295	M edical expenses.....	378, 381, 462
Business income.....	164	Moving expenses	228
Business investment loss	234	Musician (salaried).....	207
Business loss.....	164	O ld age security pension.....	114, 250, 361
C anada Pension Plan (CPP).....	101, 119, 250, 351, 452	Overpayments (deduction for repayment of).....	250
Capital gains.....	139, 292	P ension from a foreign country	122, 297
Capital losses.....	139, 290	Person living alone	361
Capital régional et coopératif Desjardins shares (tax credit for acquisition of)	422	Political parties (contributions to).....	414
Carrying charges and interest expenses	231	Post-secondary studies	367
Child-care expenses	455	Profit-sharing plan	107
Children enrolled in post-secondary studies	367	Property tax refund	460
Co-operative investment plan (CIP).....	287	Property tax refund (forest producers).....	462
D eath benefit (from employer)	154	Proposal in bankruptcy or consumer proposal (page 8).....	21
Death benefit (QPP)	119	Q uébec Pension Plan (QPP).....	98, 101, 107, 119, 250, 351, 445, 452
Deceased person	20	Québec prescription drug insurance plan (premium payable)	447
Deductions (miscellaneous)	297	QST credit	90
Deferred profit-sharing plan (DPSP)	122	QST rebate for employees.....	107, 459
Definitions		R efund transferred to spouse	476, 477
child enrolled in post-secondary studies	367	Registered education savings plan (RESP)	154, 443
dependant.....	367	Registered pension plan (RPP)	205, 250
dwelling	90, 361	Registered retirement income fund (RRIF)	122, 250, 361
specified member (of a partnership)	164	Registered retirement savings plan (RRSP)	122, 154, 214, 250, 361
spouse	12	Religious order (member of a).....	389
Dependants	367	Rental income	136
Designated remote areas (residents of)	236	Rental losses.....	136
Disability pension	119, 402	Research grants.....	154, 250
Disability supports deduction.....	250	Retirement income	122, 361
Disaster relief.....	136, 139, 164	Retiring allowances	154, 250
Dividends.....	128, 415	Retroactive payments (page 14)	402, 446, 447
Donations and gifts.....	139, 389	S avings bonds	130
E mployment expenses and deductions	207	Scholarships.....	154, 250, 276, 295
Employment income	101, 105, 107	Self-employed persons.....	105, 164, 250, 370, 373, 445
Employment insurance (EI).....	111, 250, 352	Single-parent family	367
F oreign tax credit.....	409	SME Growth Stock Plan.....	287
H ealth services fund (contribution to).....	354, 446	Stock savings plan (QSSP).....	154, 287
Home Buyers' Plan (HBP).....	154, 214, 250	Support payments	142, 225, 250, 276, 277, 402
Home-support services for seniors (tax credit for)	442, 462	T ips (page 4)	107, 462
Housing of a parent	462	Training loan (SPRINT program)	250
I mpairment (person with).....	376, 386, 462	Transfer of tax credits	386, 431
Income tax withheld at source	451, 454	Tuition or examination fees.....	384
Indemnities (CSST, SAAQ, other)	148, 295, 358	U nion, professional or other dues.....	373
Indian or person of Indian ancestry.....	250, 293, 351, 373, 447	W age loss replacement plans	107, 207
Infertility (expenses for treatment of)	462	Work premium	456
Instalment payments (page 6)	453, 474 to 481		
Interest	130, 164, 231		



In our Service Statement, we pledge, with the help of our staff, to provide you with quality services and meet specific objectives.

The following excerpt from our statement concerns individuals.

Our commitment

Access to information, services and assistance from our staff

We pledge to

- ensure quick and easy access to accurate and reliable information;
- ensure that our services are accessible to disabled persons throughout Québec;
- increase the availability of electronic services and make sure they are accessible;
- offer a variety of means to communicate with our staff.

The reception provided by our staff

We pledge to

- ensure that you are served in a respectful, cordial and courteous manner;
- ensure that all staff members identify themselves when speaking or writing to you;
- ensure that you benefit from the experience of our highly skilled staff.

Communications with the public

We pledge to

- use clear, simple language in our verbal or written communications and in the documents we provide;
- simplify the administration of the tax system and the programs we administer.

The protection of personal information

We pledge to

- safely use, store and protect the information communicated to us, while maintaining its confidentiality.

The processing of files

We pledge to

- ensure that your tax file is processed in a fair, equitable and impartial manner;
- ensure that each person pays a fair share of income tax and consumption taxes;
- respect your right of objection or appeal.

Our audit activities

We pledge to

- inform you of the time, purpose and scope of an audit;
- identify the persons involved in your file;
- request only relevant documents and information;
- make sure that you understand your notice of assessment, your responsibilities and your tax obligations;
- make the required adjustments.

Your role and responsibilities

- Report and pay your share of income tax, remit or collect consumption taxes, and provide all information required for the processing of your file.
- Promptly submit all information and documents (including your contact information). A file that is incomplete or that requires additional verification may prevent us from honouring our commitment or meeting our objectives.

Our general goals

Your telephone call

We aim to

- provide you with a toll-free telephone information service;
- take your call within two minutes.

Visits to our offices

We aim to

- meet with you within 20 minutes.

Correspondence

We aim to

- answer your correspondence within 35 days.

Objections to a decision

We aim to

- inform you of the decision of Revenu Québec within six months;
- if this is not possible, inform you of the reasons for which the decision cannot be rendered within that time.

Your satisfaction

We aim to

- periodically evaluate your degree of satisfaction;
- analyze your comments, suggestions, criticism and complaints;
- maintain a complaints service and provide you with a clear answer to your complaint within 35 days.

Our objectives with respect to individuals

Your personal income tax return

We aim to

- send your income tax refund or your notice of assessment within
 - 28 days, if you file a paper return;
 - 14 days, if you file electronically.

Support payments

We aim to

- process any new application within 30 days;
- take initial recovery action within 30 days.

More offices to serve you better

Gatineau

170, rue de l'Hôtel-de-Ville, 6^e étage
Gatineau (Québec) J8X 4C2
819 770-1768 or 1 800 267-6299

Jonquière

2154, rue Deschênes
Jonquière (Québec) G7S 2A9
418 548-4322 or 1 800 267-6299

Laval

4, Place-Laval, bureau RC-150
Laval (Québec) H7N 5Y3
450 972-3320 or 1 866 540-2500

Longueuil

Place-Longueuil
825, rue Saint-Laurent Ouest
Longueuil (Québec) J4K 5K5
450 928-8820 or 1 866 490-2500

Montréal

- Complexe Desjardins
C. P. 3000, succursale Desjardins
Montréal (Québec) H5B 1A4
514 873-2600 or 1 866 440-2500
- Village Olympique, pyramide Est
5199, rue Sherbrooke Est, bureau 4000
Montréal (Québec) H1T 4C2
514 873-2610 or 1 866 460-2500
- Les Galeries Saint-Laurent
2215, boulevard Marcel-Laurin
Saint-Laurent (Québec) H4R 1K4
514 873-6120 or 1 866 570-2500

Québec

200, rue Dorchester
Québec (Québec) G1K 5Z1
418 659-6299 or 1 800 267-6299

Rimouski

212, avenue Belzile, bureau 250
Rimouski (Québec) G5L 3C3
418 727-3572 or 1 800 267-6299

Rouyn-Noranda

19, rue Perreault Ouest, RC
Rouyn-Noranda (Québec) J9X 6N5
819 764-6761 or 1 800 267-6299

Saint-Jean-sur-Richelieu

855, boulevard Industriel
Saint-Jean-sur-Richelieu (Québec) J3B 7Y7
450 349-1120 or 1 866 470-2500

Sainte-Foy

3800, rue de Marly
Sainte-Foy (Québec) G1X 4A5
418 659-6299 or 1 800 267-6299

Sept-Îles

391, avenue Brochu, bureau 1.04
Sept-Îles (Québec) G4R 4S7
418 968-0203 or 1 800 267-6299

Sherbrooke

2665, rue King Ouest, 4^e étage
Sherbrooke (Québec) J1L 2H5
819 563-3034 or 1 800 267-6299

Sorel-Tracy

101, rue du Roi
Sorel-Tracy (Québec) J3P 4N1
450 928-8820 or 1 866 490-2500

Trois-Rivières

225, rue des Forges, bureau 400
Trois-Rivières (Québec) G9A 2G7
819 379-5360 or 1 800 267-6299

Information service for persons with a hearing impairment
Montréal 514 873-4455 Elsewhere in Canada 1 800 361-3795

We invite you to visit our Web site at www.revenu.gouv.qc.ca.

Revenu Québec telephone information service

For tax-related information, you may call the staff at one of our offices.

Service hours

Mondays, Tuesdays, Thursdays and Fridays 8:30 a.m. to 4:30 p.m.
Wednesdays 10 a.m. to 4:30 p.m.

These telephone hours are extended in March and April.