

## Application for a Reduction in Source Deductions of Income Tax

Complete this form if you receive remuneration<sup>1</sup> subject to source deductions of income tax and you wish Revenu Québec to authorize the person who pays the remuneration (your **employer** or a **payer**) to reduce the amount of income tax deducted at source.

As a rule, you may make such a request if you believe that your source deductions of income tax are too high and if you are in one of the following situations:

- you are entitled to deductions or tax credits that your employer or a payer cannot take into account without the authorization of Revenu Québec;
- you are not a resident of Québec and you are not subject to the *Taxation Act*. Consequently, you do not have any Québec income tax payable for the year.

**Mailing the form:** Send the duly completed form to the Revenu Québec office in your area. **Be sure to attach documents that will substantiate any deductions and tax credits claimed in Part 3.2 on page 2.**

Taxation year	2 0
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### 1 Identification (please print)

Last name	First name	Social insurance number
Mailing address		Postal code
Name of employer or payer		
Mailing address		Postal code
Contact person	Area code	Telephone

### 2 Remuneration subject to source deductions of income tax (to which the reduction in source deductions applies)

<input type="checkbox"/> Salary or wages (other than a lump-sum payment)
<input type="checkbox"/> Lump-sum payment of salary or wages. Amount: \$ _____ Specify the nature of the payment (for example, bonus, vacation pay of an employee who is not taking holidays): _____
<input type="checkbox"/> Amount subject to source deductions of income tax, received by a non-resident. Amount: \$ _____ Specify the nature of the payment (for example, professional fees, directors' fees): _____
<input type="checkbox"/> Other remuneration. Amount: \$ _____ Specify the nature of the payment (for example, a single payment such as a withdrawal of all or part of the amount in an RRSP or a RRIF): _____

1. The term "remuneration" refers to a salary or wages, pension benefits, a single payment and any other amount that you receive from an employer or a payer.



## General information

If you receive remuneration subject to source deductions of income tax, you may ask the person who pays the remuneration (your employer or the payer) to take into account the deductions and tax credits to which you are entitled in the calculation of your source deductions of income tax.

You may use either of the following forms to make the request:

- *Source Deductions Return* (TP-1015.3-V)
- *Application for a Reduction in Source Deductions of Income Tax* (TP-1016-V).

### What is the difference between the two forms?

Form TP-1015.3-V takes into account only certain deductions and specific tax credits which do not require the authorization of Revenu Québec. You should submit the form directly to your employer or payer.

Your employer or payer must have the authorization of Revenu Québec in order to take into account the deductions and tax credits you enter on form TP-1016-V. You must therefore submit the form to Revenu Québec.

### Which form should you use?

The form to be used depends on the remuneration that you receive and the deductions and tax credits that you wish your employer or payer to take into account.

Therefore, **if you receive remuneration<sup>2</sup> for which you are required to complete form TP-1015.3-V for your employer or payer**, you should use form TP-1015.3-V to make your request, provided the deduction or tax credit you are claiming is included on that form. Use form TP-1016-V for deductions and tax credits that are not included on form TP-1015.3-V.

**If you receive remuneration<sup>3</sup> for which you cannot use form TP-1015.3-V**, you should use form TP-1016-V either

- to request a deduction or tax credit even if the deduction or tax credit is included on form TP-1015.3-V; or
- to request exemption from source deductions if you are not a resident of Québec and you are not subject to the *Taxation Act*.

## Processing the application

### Reviewing the application

As a rule, Revenu Québec authorizes your employer (or the payer) to reduce your source deductions of income tax where, in view of the income not subject to source deductions of income tax and the deductions and tax credits to which you are entitled, either

- the amount subject to source deductions of income tax should be reduced by at least \$2,000; or
- the amount withheld should be reduced by at least \$400.

### Application accepted (letter of authorization)

If your application is accepted, Revenu Québec will send you a letter of authorization for your employer or payer. The letter indicates the amount of the reduction that may be taken into account when calculating the income tax to be withheld.

Authorization is granted only for the year covered by this application. The amount authorized as a reduction will be distributed evenly over the pay (or payment) periods remaining in the year concerned. If authorization is granted with respect to a single payment, the full amount of the reduction applies to the payment.

In the case of a deduction claimed with respect to income earned outside Canada, authorization is granted for the duration of the contract.

### Application denied

Your application for a reduction in source deductions of income tax will generally be denied if the requirements listed under "Reviewing the application" above are not met, or if you do not provide documents to substantiate the deduction or tax credit you are claiming.

Your application for a reduction in source deductions of income tax will also be denied if you did not file an income tax return for a previous taxation year, or if you owe Revenu Québec duties or other amounts payable under a fiscal law. (Fiscal laws include the *Taxation Act* and any other law administered by Revenu Québec.)

Revenu Québec will notify you if your application is denied.

2. For example, salary or wages, commissions, periodic payments from a pension plan (such as life annuity payments under a registered pension plan or RPP), wage loss insurance benefits, employment insurance benefits or parental insurance benefits.

3. For example, a single payment such as a withdrawal of all or part of the amount in an RRSP or a RRIF, or a payment received by a non-resident (otherwise than in the course of regular and continuous employment) for services rendered in Québec.