REVENU QUÉBEC

Courtesy Translation

This form has been translated for information purposes only.
Do not complete it. You must file the French version.

Tax Credit for Investment and Innovation

Qualified corporation

Form CO-1029.8.36.II must be completed for any corporation that is claiming the tax credit for investment and innovation for specified expenses[1] that the corporation or a partnership of which it is a member incurred in the year or in a previous year to acquire specified property.[2] The corporation or partnership may have acquired the property in the course of a joint venture.

To qualify for the tax credit, the specified expenses must be incurred after March 10, 2020, but before January 1, 2025. In addition, the corporation:

- must have an establishment in Québec and carry on a business in Québec;
- must not be exempt from income tax;
- must not be a Crown corporation or a subsidiary controlled corporation of a Crown corporation;
- must not be an aluminum producing corporation; and
- must not be an oil refining corporation.

A corporation that is a member of a partnership can claim the tax credit as a member of a partnership, provided the partnership would qualify for the tax credit if it were a corporation. If you are completing form CO-1029.8.36.II for such a corporation, enter the partnership's information in parts 2 and 3 and then determine the corporation's share in part 4.

Cumulative limit

The specified expenses related to the acquisition of specified property that are incurred by the corporation (including those incurred in the course of a joint venture), by any corporations associated with the corporation or by a partnership of which the corporation is a member and that entitle one of the corporations to obtain a refund of all or a portion of the tax credit are subject to a cumulative limit of $100 million. Once that limit has been reached, the corporation can no longer benefit from the refundable or non-refundable tax credit.

If the corporation is a member of a group of associated corporations ("associated group") in the taxation year, those corporations must agree among themselves on the allocation of the cumulative limit. In such a case, complete form CO-1029.8.36.IK, *Entente concernant le plafond cumulatif lié au crédit d'impôt pour investissement et innovation*.

Tax credit for investment election

A corporation that has acquired property considered qualified property for the tax credit for investment or specified property for the tax credit for investment and innovation (or a corporation that is a member of a partnership that has acquired such property) can elect to have the property considered qualified property rather than specified property for the first taxation year in which it incurred expenses for the acquisition of the property. The election must be made in form CO-1029.8.36.IN.

This election cannot be made for a taxation year if the corporation (or an associated corporation) claimed the tax credit for investment and innovation for specified expenses it incurred during the taxation year or a previous taxation year.[3]

Important information

- Complete parts 2 and 3 on a separate copy of form CO-1029.8.36.II for each territory in which the specified property was used.
- Complete parts 5 through 12 on only one copy of form CO-1029.8.36. II.
- If the corporation is claiming only a tax credit carried over from another year, complete parts 1 and 7 through 12 of form CO-1029.8.36.II.
- Form CO-1029.8.36.II can be completed to carry the tax credit for the year concerned back to previous years, to claim an additional tax credit or to request an adjustment of the balance of the tax credit carried over relating to assistance that was repaid in the year and that reduced the capital cost of specified property of a previous year.
- Complete parts 2 through 4 on separate copies of form CO-1029.8.36.II if the corporation is claiming the tax credit as a corporation and also as a member of a partnership or a party to a joint venture. Also, complete parts 2 through 4 on separate copies of form CO-1029.8.36.II if the corporation is a member of more than one partnership or is a party to more than one joint venture.
- Enclose all completed copies of form CO-1029.8.36.II with the corporation income tax return (form CO-17, Déclaration de revenus des sociétés). If, for any reason, you are unable to enclose the required form(s) with the return, you must send the form(s) to us within 12 months after the filing deadline for the return for the year concerned.
- For more information, refer to sections 1029.8.36.166.60.36 to 1029.8.36.166.60.65 of the *Taxation Act*.

1 Information about the corporation

01a Québec enterprise number (NEQ): [redacted]

01b Identification number: [redacted] File: **IC** 0001

02 Name of corporation: [redacted]

05 End date of fiscal period: [redacted] (Y Y Y Y M M D D)

2 Information about the specified property

On form CO-1029.8.36.II, check the box corresponding to the territory where the corporation, partnership or joint venture used the specified property.[4]

10 [redacted] Low economic vitality territory[5]

11 [redacted] Intermediate economic vitality territory[6]

12 [redacted] High economic vitality territory[7]

Provide the requested information for each specified property acquired that was used in the territory concerned.

If the corporation, the partnership or the corporation as a party to a joint venture acquired more than three properties that were used in the same territory, enclose another copy of form CO-1029.8.36.II.

Property 1

	A Description of the property	B Acquisition date	C Date that use of the property began
13.1	[redacted]	Y Y Y Y M M D D	Y Y Y Y M M D D

Code for the type of specified property[8] .... 14.1 [redacted]

Geographical code of the municipality where the acquired property was primarily used[9] .... 14a.1 [redacted]

Property 2

	A Description of the property	B Acquisition date	C Date that use of the property began
13.2	[redacted]	Y Y Y Y M M D D	Y Y Y Y M M D D

Code for the type of specified property .... 14.2 [redacted]

Geographical code of the municipality where the acquired property was primarily used .... 14a.2 [redacted]

Property 3

	A Description of the property	B Acquisition date	C Date that use of the property began
13.3	[redacted]	Y Y Y Y M M D D	Y Y Y Y M M D D

Code for the type of specified property .... 14.3 [redacted]

Geographical code of the municipality where the acquired property was primarily used .... 14a.3 [redacted]

3 Specified expenses

Do the calculations in part 3 of form CO-1029.8.36.II for each property described in part 2 of that form. If the corporation, the partnership or the corporation as a party to a joint venture acquired more than three properties that were used in the same territory, enclose another copy of form CO-1029.8.36.II and enter on line 25 the total of the amounts in columns A, B and C on line 24 of all copies of form CO-1029.8.36.II completed for the property used in that territory.

		Line	A Property 1	B Property 2	C Property 3
Partial or total payment of the specified expenses incurred for the acquisition of the specified property[10]		15	[redacted]	[redacted]	[redacted]
Assistance[11] attributable to the expenses entered on line 15		16	[redacted]	[redacted]	[redacted]
Benefit or advantage[12] related to the expenses entered on line 15	+	17	[redacted]	[redacted]	[redacted]
Add lines 16 and 17.	=	18	[redacted]	[redacted]	[redacted]
Subtract line 18 from line 15. If the result is negative, enter 0.		19	[redacted]	[redacted]	[redacted]
Exclusion threshold.[13] Enter: • $5,000, if the specified property is class 50 property or a qualified management software package; • $12,500, in other cases.		20	[redacted]	[redacted]	[redacted]
Total of the amounts of excluded expenses relating to the property for previous taxation years or fiscal periods	–	21	[redacted]	[redacted]	[redacted]
Subtract line 21 from line 20. If the result is negative, enter 0.	=	22	[redacted]	[redacted]	[redacted]
Enter the amount from line 19 or line 22, whichever is **less**. **Amount of excluded expenses**		23	[redacted]	[redacted]	[redacted]
Subtract line 23 from line 19.		24	[redacted]	[redacted]	[redacted]

Add the amounts in columns A, B and C on line 24 of all copies of form CO-1029.8.36.II completed for the property used in the territory concerned. **Specified expenses** 25 A [redacted]

4 Corporation that is a member of a qualified partnership

Complete part 4 of form CO-1029.8.36.II only if the corporation is a member of a qualified partnership.

If the corporation is directly a member of the qualified partnership, enter the information about the partnership on line 36 and carry the corporation's percentage interest[14] to line 37. Then complete lines 38 and 39.

If the corporation is a member of an interposed partnership that is a member of the qualified partnership, provide the required information about both partnerships on lines 35 and 36, respectively. If there is more than one interposed partnership, you must provide the required information for all of them. If there are more than three interposed partnerships, provide the information for each additional interposed partnership on another copy of form CO-1029.8.36.II. (All copies of the form must be filed together.) Then complete lines 37, 38 and 39.[15]

Line	A Name of partnership	B Québec enterprise number (NEQ)	C Identification number	D End date of fiscal period Y Y Y Y M M D D	E Percentage interest
35	1. Interposed partnership	[redacted]			%
	2. Interposed partnership				%
	3. Interposed partnership				%
36	Qualified partnership				%

		Line	
Multiply the percentages in column E. If you have completed more than one copy of form CO-1029.8.36.II, multiply the percentage interests in all the interposed partnerships from each copy completed. Then multiply the result by the percentage interest in the qualified partnership. **Corporation's percentage interest in the qualified partnership**		37	[redacted] %
Amount A calculated for the qualified partnership	×	38	[redacted]
Multiply line 37 by line 38. **Corporation's share of the specified expenses of the qualified partnership**	=	39	B [redacted]

5 Specified expenses that qualify for the tax credit

Complete part 5 on only one copy of form CO-1029.8.36.II for all the specified property for which the corporation is claiming the tax credit. Once the balance of the cumulative limit has been calculated for the taxation year, the corporation must decide which amounts are to be attributed to each territory where the specified property was used.

5.1 Specified expenses for the year after taking into account the balance of the annual cumulative limit

In the columns in section 5.1 of form CO-1029.8.36.II, break down the specified expenses for which the corporation can or could claim the tax credit for investment or innovation or the eligible expenses for which the corporation can or could claim the tax credit for investment, as applicable. In column A, enter the specified or eligible expenses incurred by the corporation. In column B, enter those incurred by a partnership of which the corporation is a member, where applicable. In column C, if the corporation is a party to a joint venture, enter the expenses incurred by all the parties to that joint venture.

If the corporation is a member of more than one partnership or is a party to more than one joint venture, enclose a sheet showing the following calculations done for each partnership or joint venture and on line 63 or line 67, as applicable, enter the total amount of the corporation's share of the specified expenses incurred by the partnerships or the total amount of its share of the specified expenses incurred by the parties to the joint ventures.

			A Expenses incurred by the corporation	B Expenses incurred by the partnership	C Expenses incurred by the parties to the joint venture
Cumulative limit		50	100,000,000	100,000,000	100,000,000
Specified expenses[16] related to the acquisition of specified property incurred by the corporation or the corporation's share of such expenses incurred by a partnership of which it is a member during the taxation years that ended in the 48 months preceding the start of the taxation year concerned		51		N/A	N/A
Eligible expenses[17] related to the acquisition of eligible property incurred by the corporation or the corporation's share of such expenses incurred by a partnership of which it is a member during the taxation year concerned or during the taxation years that ended in the 48 months preceding the start of the taxation year concerned	+	52		N/A	N/A
In column B, enter the amount of specified expenses[18] incurred by the partnership to acquire specified property during its fiscal periods that ended in the 48 months preceding the start of its fiscal period that ended in the corporation's taxation year. In column C, enter the amount of specified expenses incurred by the parties to a joint venture to acquire specified property during the joint venture's fiscal periods that ended in the 48 months preceding the start of its current fiscal period.	+	53	N/A		
In column B, enter the amount of eligible expenses[19] incurred by the partnership to acquire eligible property during its fiscal period that ended in the corporation's taxation year or during its fiscal periods that ended in the 48 months preceding the start of that fiscal period. In column C, enter the amount of eligible expenses incurred by the parties to a joint venture to acquire eligible property during the joint venture's current fiscal period or during the fiscal periods that ended in the 48 months preceding the start of its current fiscal period.	+	54	N/A		
Add lines 51 through 54.	=	55			
Subtract line 55 from line 51. **Balance of the annual cumulative limit**		56			
Corporation's percentage interest in the partnership (percentage on line 37) or corporation's percentage interest in the joint venture[20]	×	57	N/A	N/A	N/A
Multiply line 56 by line 57. **Corporation's share of the balance of the annual cumulative limit of the partnership or joint venture**	=	58	N/A		
Corporation's specified expenses for the year (total of the amounts on line 19 calculated for the property used by the corporation in all territories)		59		N/A	N/A

5.1 Specified expenses for the year after taking into account the balance of the annual cumulative limit (continued)

			A Expenses incurred by the corporation	B Expenses incurred by the partnership	C Expenses incurred by the parties to the joint venture
Partnership's specified expenses for the year (total of the amounts on line 19 calculated for the property used by the partnership in all territories) or specified expenses of the parties to the joint venture for the year (total of the amounts on line 19 of all parties to the joint venture calculated for the property used by the joint venture in all territories)		60	N/A	[redacted]	[redacted]
Corporation's percentage interest in the partnership (percentage on line 37) or corporation's percentage interest in the joint venture	×	61	N/A	[redacted] %	[redacted] %
Multiply line 60 by line 61.	=	62	N/A	[redacted]	[redacted]
In column A, enter the amount from line 56 or line 59, whichever is **less**. In columns B and C, enter the amount from line 58 or line 62, whichever is **less**. **Specified expenses for the year**		63	[redacted]	[redacted]	[redacted]

If the taxation year of a corporation that is a party to a joint venture ended on December 31 of the year concerned or if the amount in column C on line 58 corresponds to the amount in column C on line 62, enter the amount from line 63 on line 67. Otherwise, do the following calculation:

Amount in column C of line 63: 64 [redacted]

× Specified expenses incurred by the corporation as a party to the joint venture during the part of the joint venture's fiscal period included in the corporation's taxation year: 65 [redacted]

÷ Specified expenses incurred by the corporation as a party to the joint venture during the joint venture's fiscal period: 66 [redacted]

Corporation's share of the specified expenses of the parties to the joint venture for the year 67 [redacted]

5.2 Specified expenses that qualify for the tax credit

Add the amounts in columns A and B on line 63 and the amount on line 67. **Specified expenses for the year** 72 [redacted]

If the corporation is associated with another corporation, complete form CO-1029.8.36.IK and enter the amount from column D on line 11 of that form. Otherwise, go directly to line 74. 73 [redacted]

If the corporation is associated to another corporation, enter the amount from line 72 or line 73, whichever is **less**.
Otherwise, enter the amount from line 72 or $100,000,000, whichever is **less**.
Specified expenses that qualify for the tax credit 74 [redacted]

6 Tax credit calculated for the year

Break down the amount from line 74 on lines 86, 86a, 89, 89a, 92 and 92a, based on the date the specified expenses were incurred.

		Specified expenses incurred before March 26, 2021, or after December 31, 2023		Specified expenses incurred in the period from March 26, 2021, to December 31, 2023[21]		
Low economic vitality territory						
Specified expenses. The total of the amounts on lines 86 and 86a cannot exceed amount A or B, as applicable, calculated for this territory.	86	[redacted]	86a	[redacted]		
Tax credit rate. Enter 20% on line 87 and 40% on line 87a.	× 87	[redacted] %	87a	[redacted] %		
Multiply line 86 by the rate on line 87. Multiply line 86a by the rate on line 87a. Add the results.	=	[redacted]	+	[redacted]	▶ 88	[redacted]
Intermediate economic vitality territory						
Specified expenses. The total of the amounts on lines 89 and 89a cannot exceed amount A or B, as applicable, calculated for this territory.	89	[redacted]	89a	[redacted]		
Tax credit rate. Enter 15% on line 90 and 30% on line 90a.	× 90	[redacted] %	90a	[redacted] %		
Multiply line 89 by the rate on line 90. Multiply line 89a by the rate on line 90a. Add the results.	=	[redacted]	+	[redacted]	+ ▶ 91	[redacted]
High economic vitality territory						
Specified expenses. The total of the amounts on lines 92 and 92a cannot exceed amount A or B, as applicable, calculated for this territory.	92	[redacted]	92a	[redacted]		
Tax credit rate. Enter 10% on line 93 and 20% on line 93a.	× 93	[redacted] %	93a	[redacted] %		
Multiply line 92 by the rate on line 93. Multiply line 92a by the rate on line 93a. Add the results.	=	[redacted]	+	[redacted]	+ ▶ 94	[redacted]
Add lines 88, 91 and 94.				**Tax credit calculated for the year**	= 95	[redacted]

7 Refundable portion of the tax credit related to a previous year

7.1 Tax credit carried forward from a previous year

Tax credit carried forward from a previous year (amount on line 158 of the copy of form CO-1029.8.36.II completed for the previous year)			105	[redacted]
Adjustment of the tax credit carried forward from a previous year relating to assistance repaid in the year (amount R in part 12)			+ 106	[redacted]
Add lines 105 and 106.			= 107	[redacted]
Tax credit included in the amount on line 107 and for which the carry-over period has expired[22]	108	[redacted]		
Tax credit in respect of property that is no longer specified property, the amount of which is included in the amount on line 107 and has been written off	+ 109	[redacted]		
Add lines 108 and 109.	=	[redacted]	− ▶ 110	[redacted]
Subtract line 110 from line 107. **Tax credit carried forward from a previous year**			= 111	[redacted]

7.2 Refundable portion of the tax credit related to a previous year that can be deducted from the balance of income tax

Total income tax for the year concerned[23]	115	[redacted]
Tax credit carried forward from a previous year (amount from line 111)	116	[redacted]
Enter the amount from line 115 or line 116, whichever is **less**. **Refundable portion of the tax credit from a previous year that can be deducted from the balance of income tax**	117	[redacted]

8 Refundable portion of the tax credit for the year concerned

8.1 Refundable portion of the tax credit that can be deducted from the balance of income tax

Tax credit calculated for the year (line 95)		118	
Total income tax for the year concerned		119	
Refundable portion of the tax credit from a previous year that can be deducted from the balance of income tax (line 117)	–	120	
Subtract line 120 from line 119. **Balance of income tax**	=	121	
Enter the amount from line 118 or line 121, whichever is **less**. **Refundable portion of the tax credit that can be deducted from the balance of income tax**		122	

8.2 Refundable portion of the tax credit that exceeds the balance of income tax

If the amount on line 118 is greater than the amount on line 121, complete section 8.2 of form CO-1029.8.36.II. Otherwise, go to part 9.

8.2.1 Refund rate for the taxation year

Maximum refund rate of the tax credit. Enter 100%.					123	%
Enter the **greater** of the following amounts: • the corporation's total assets[24] for the previous taxation year; • the corporation's gross income[25] for the previous taxation year. The amount must not exceed 100,000,000.		124				
Amount of assets or gross income to which the rate reduction applies. Enter 50,000,000.	–	125				
Subtract 50,000,000 from line 124. If the result is negative, enter 0.	=	126				
Enter 500,000.	÷	127				
Divide line 126 by 500,000. **Rate reduction**	=		%	– ▶	128	%
Subtract line 128 from line 123. If the result is negative, enter 0. **Refund rate for the taxation year**				=	129	%

8.2.2 Refundable portion of the tax credit that exceeds the balance of income tax

Tax credit calculated for the year (amount on line 95)		130	
Balance of income tax (amount on line 121)	–	131	
Subtract line 131 from line 130. If the result is negative, enter 0. **Tax credit that exceeds the balance of income tax**	=	132	
Refund rate (rate on line 129)	×	133	%
Multiply line 132 by line 133. **Refundable portion of the tax credit that exceeds the balance of income tax**	=	134	

9 Refundable tax credit that can be claimed for the taxation year

Refundable portion of the tax credit from a previous year that can be deducted from the balance of income tax (amount on line 117)					135	
Refundable portion of the tax credit for the taxation year concerned that can be deducted from the balance of income tax (amount on line 122)		136				
Refundable portion of the tax credit for the taxation year concerned that exceeds the balance of income tax (amount on line 134). If you did not complete section 8.2, enter 0.	+	137				
Add lines 136 and 137. **Refundable portion of the tax credit for the taxation year**	=			+ ▶	138	
Tax credit related to assistance repaid in the year (amount Q in part 12)				+	139	
Add lines 135, 138 and 139. Enter amount V on one of lines 440p through 440y of form CO-17 and enter code 109 in the appropriate box. **Refundable tax credit that can be claimed for the taxation year**				=	140	V

10 Tax credit that can be carried over

Tax credit calculated for the year (amount on line 95)	145	
Refundable portion of the tax credit for the taxation year concerned (amount on line 138)	– 146	
Subtract line 146 from line 145. **Tax credit that can be carried back**	= 147	

Enter the end date of each of the three previous taxation years to which the corporation wants to carry back a portion or all of the amount from line 147.[26] The amount on line 153 must not exceed line 147.

		A End date of year	**B** Amount
Third taxation year preceding the year concerned	150	20 [redacted]	[redacted]
Second taxation year preceding the year concerned	151	20 [redacted]	+ [redacted]
Taxation year preceding the year concerned	152	20 [redacted]	+ [redacted]

Add the amounts in column B of lines 150 through 152.	= [redacted]		– 153	[redacted]
Subtract line 153 from line 147. **Tax credit for the taxation year concerned that can be carried forward**			= 154	[redacted]
Tax credit carried forward from a previous year (amount on line 111)	155	[redacted]		
Refundable portion of the tax credit from a previous year that can be deducted from the balance of income tax (amount on line 117)	– 156	[redacted]		
Subtract line 156 from line 155. **Unused portion of the tax credit from a previous year**	=	[redacted]	+ 157	[redacted]
Add lines 154 and 157. **Tax credit that can be carried forward**[27]			= 158	[redacted]

Special tax

If, in a future taxation year, you realize that the corporation should not have received all or part of the tax credit, the corporation must, by means of a special tax, repay the excess amount received. When completing form CO-17 for the year in question, enter the excess amount and code 97 in the spaces provided on that form for that purpose.

11 Certification

I certify that the information provided on form CO-1029.8.36.II is accurate and complete, and corresponds to the information in the corporation's registers and books of account.

[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Name of authorized representative (please print)	Signature of authorized representative	Date	Area code	Phone

12 Tax credit related to assistance, a benefit or an advantage repaid in the taxation year

Complete part 12 of form CO-1029.8.36.II only if the corporation or the partnership of which it is a member paid, in its taxation year or its fiscal period, pursuant to a legal obligation, an amount that can be considered the repayment of government assistance, non-government assistance, a benefit or an advantage (hereinafter referred to as "assistance") or if such assistance ceased to be receivable. The assistance must have reduced, in a previous taxation year of the corporation, the amount of specified expenses used to calculate the corporation's tax credit.

If the repayment of assistance in the taxation year concerned relates to more than one taxation year, enter the required information for each taxation year in each of the columns in the table in part 12 of form CO-1029.8.36.II.

To determine the amount to be entered in column E, recalculate the tax credit of the previous year as if the corporation had not received, in the previous year, the assistance repaid in the year concerned. Also, to determine the amount to be entered in column F, redo the tax credit calculations done on the copy of form CO-1029.8.36.II completed for the previous taxation year.

A	B	C	D	E	F		G	H
Previous year	**Tax credit calculated for the previous year** (amount on line 95 of the copy of form CO-1029.8.36.II completed for the previous year)	**Tax credit claimed for the previous year** (amount on line 140 of the copy of form CO-1029.8.36.II completed for the previous year)	**Amount of assistance repaid in the year**	**Tax credit for the previous year, recalculated taking into account the assistance repaid** (amount in column B recalculated)	**Tax credit claimed for the previous year, recalculated taking into account the assistance repaid** (amount in column C recalculated)		**Tax credit related to assistance repaid in the year** (col. F – col. C)	**Adjustment of the tax credit carried forward from a previous year relating to assistance repaid in the year** (col. E – [col. B + col. G])
						165		
						+ 165		
						+ 165		
Add the amounts in column G and column H. Carry amount Q to line 139 and amount R to line 106.						= 166	Q	R

Notes

1. "Specified expenses" refers to the expenses corresponding to the amount by which the expenses that are included in the capital cost of specified property **exceed** the excluded expenses related to the specified property and that:
   - were incurred and paid in the taxation year or fiscal period concerned, depending on whether the corporation is claiming the tax credit as a corporation or as a member of a partnership;
   - were incurred in the taxation year or fiscal period concerned and paid within 18 months after the end of that taxation year or fiscal period; or
   - were paid in the taxation year or fiscal period concerned, but later than 18 months after the end of the taxation year or fiscal period in which they were incurred.

   Note that expenses eligible for the tax credit relating to information technology integration are not considered specified expenses.

2. "Specified property" refers to property that was acquired after March 10, 2020, but before January 1, 2025, and that:
   - is manufacturing or processing equipment included in class 53 of Schedule B to the *Regulation respecting the Taxation Act*;
   - is general-purpose electronic data processing equipment or related systems software included in class 50 of Schedule B to the *Regulation respecting the Taxation Act*;
   - is used mainly in processing ore extracted from a mineral resource located in a country other than Canada and is included in class 43 of Schedule B to the *Regulation respecting the Taxation Act*;
   - is a qualified management software package included in class 12 of Schedule B to the *Regulation respecting the Taxation Act*; **or**
   - is used mainly in activities involving the smelting, refining or hydrometallurgy of ore (other than ore from a gold or silver mine) extracted from a mineral resource located in Canada.

   In addition, the specified property:
   - must be new and be used by the corporation within a reasonable time after it is acquired;
   - is not acquired to be used and is not used in carrying on a recognized business relating to a large investment project;
   - is not used in operating an ethanol, biodiesel or pyrolysis oil production plant;
   - must, where the property is a qualified management software package, be used mainly in Québec in carrying on a business for a period of at least 730 consecutive days after it began to be used by the qualified corporation or qualified partnership, as applicable, except in the case of loss, major breakdown or involuntary destruction by fire, theft or water, or due to its obsolescence; **and**
   - must, where the property is not a qualified management software package, must be used only in Québec and mainly in carrying on a business for a period of at least 730 consecutive days after it began to be used by the qualified corporation or qualified partnership, as applicable, except in the case of loss, major breakdown or involuntary destruction by fire, theft or water.

   However, such property is not specified property if:
   - it was acquired pursuant to an obligation in writing entered into on or before March 10, 2020; or
   - its construction, by or on behalf of the qualified corporation or qualified partnership, had begun by March 10, 2020.

A "qualified management software package" refers to a software package that is mainly used to manage:

- all the operational processes of the business of the corporation or partnership, as applicable, by integrating all the functions of the business;
- the interactions of the business of the corporation or partnership with its clients through multiple and interconnected communication channels;
- a network of businesses of the corporation or partnership involved in the production of a product or the provision of a service required by the end client to cover all movements of materials or information, from the point of origin to the point of consumption.

3. More specifically, the election cannot be made for a taxation year ending at a given time if the qualified corporation is a member of an associated group in that taxation year and a corporation that is a member of the associated group or a corporation that is a member of a partnership that is a member of the associated group claimed the tax credit for investment and innovation for specified expenses incurred in a taxation year or fiscal period ended at or before that time. These rules also apply to property acquired by a qualified partnership, with the necessary adaptations.

4. If the property is a management software package that was acquired by a qualified corporation to be used in more than one of the corporation's establishments and the principal place of use cannot be determined, the following rules apply:
   - The specified property is deemed to be acquired for use mainly in the low economic vitality territory if, for the first taxation year in which specified expenses were incurred to acquire the property, the following proportion is greater than 50%: the total salaries and wages paid by the corporation to its employees who work at an establishment in a low economic vitality territory in relation to the total salaries and wages paid to its employees who work at an establishment in Québec.
   - The specified property is deemed to be acquired for use mainly in an intermediate economic vitality territory if, for the taxation year in which specified expenses were incurred to acquire the property, the following proportion is greater than 50%: the total salaries and wages paid by the corporation to its employees who work at an establishment in an intermediate economic vitality territory or in a low economic vitality territory in relation to the total salaries and wages paid to its employees who work at an establishment in Québec.
   - In other cases, the specified property is deemed to be acquired for use mainly in the high economic vitality territory.

   The same rules apply to property acquired by a qualified partnership, with the necessary adaptations.

5. The low economic vitality territory consists of the following regional county municipalities (RCM) and urban agglomerations:
   - Antoine-Labelle
   - Argenteuil
   - Avignon
   - Bonaventure
   - Charlevoix-Est
   - Communauté maritime des Îles-de-la-Madeleine (for specified expenses incurred before April 1, 2023, or specified expenses incurred after March 31, 2023, to acquire specified property before April 1, 2023)
   - Le Domaine-du-Roy (for specified expenses incurred after June 30, 2021, to acquire specified property after that date)
   - La Côte-de-Gaspé (for specified expenses incurred before April 1, 2023, or specified expenses incurred after March 31, 2023, to acquire specified property before April 1, 2023)
   - La Haute-Côte-Nord
   - La Haute-Gaspésie
   - La Matanie
   - La Matapédia
   - La Mitis
   - La Tuque
   - La Vallée-de-la-Gatineau
   - Le Golfe-du-Saint-Laurent
   - Le Rocher-Percé
   - Les Appalaches (for specified expenses incurred before April 1, 2023, or specified expenses incurred after March 31, 2023, to acquire specified property before April 1, 2023)
   - Les Basques
   - Les Etchemins
   - Les Sources
   - Maria-Chapdelaine
   - Maskinongé (for specified expenses incurred after June 30, 2021, to acquire specified property after that date)
   - Matawinie
   - Mékinac
   - Papineau (for specified expenses incurred after June 30, 2021, to acquire specified property after that date)
   - Pontiac
   - Shawinigan
   - Témiscouata

   Note that property used in the RCM of Domaine-du-Roy, Maskinongé or Papineau is not specified property if:
   - it was acquired pursuant to a written obligation entered into on or before June 30, 2021;
   - its construction by or on behalf of the qualified corporation or qualified partnership had begun by June 30, 2021.

6. The intermediate economic vitality territory consists of the territories in Québec outside the low economic vitality territory and the high economic vitality territory.

7. The high economic vitality territory consists of the municipalities that constitute the Communauté métropolitaine de Montréal and the Communauté métropolitaine de Québec.

8. The table below shows each type of specified property and its code.

Code	Type of property
01	Manufacturing or processing equipment (class 53)
02	General-purpose electronic data processing equipment or related systems software (class 50)
03	Property used mainly in the course of processing ore extracted from a mineral resource located in a country other than Canada (class 43)
04	Qualified management software package (class 12)
05	Property used mainly in activities involving the smelting, refining or hydrometallurgy of ore (other than ore from a gold or silver mine) extracted from a mineral resource located in Canada

9. To find out the geographic code of the municipality where the acquired property is mainly used, consult the Répertoire des municipalités (in French only) on the website of the Ministère des Affaires municipales et de l'Habitation at **mamh.gouv.qc.ca**.

10. If the corporation is claiming the tax credit as a party to a joint venture or as a member of a partnership that is a party to a joint venture, enter on line 15 of form CO-1029.8.36.II the specified expenses that the corporation incurred to acquire the specified property.

    If the taxation year of a corporation that is a party to a joint venture does not end on December 31, multiply the amount of the specified expenses by the ratio **between** the specified expenses that the corporation incurred as a party to the joint venture, during the joint venture's fiscal period that is included in the corporation's taxation year **and** the specified expenses the corporation incurred during the joint venture's fiscal period.

    If the fiscal period of a partnership that is a party to a joint venture does not end on December 31, multiply the amount of the specified expenses by the ratio **between** the specified expenses that the partnership incurred as a party to the joint venture, during the joint venture's fiscal period that is included in the partnership's fiscal period **and** the specified expenses the partnership incurred during the joint venture's fiscal period.

11. "Assistance" refers to any government assistance and any non-government assistance that the corporation or partnership received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of the fiscal period covered by form CO-1029.8.36.II. The term does include any amount received and repaid in the year in respect of which the tax credit is claimed. "Government assistance" and "non-government assistance" are defined in section 1029.6.0.0.1 of the *Taxation Act*.

    The amount of the federal investment tax credit does not constitute government assistance in calculating specified expenses.

12. "Benefit or advantage" refers to any benefit or advantage that the corporation, a person or a partnership obtained, is entitled to obtain or may reasonably expect to obtain on or before the day that is six months after the end of the corporation's taxation year in which the specified expenses were incurred. A benefit or advantage may be a reimbursement, compensation, guarantee or proceeds of disposition of property that exceed the fair market value of the property, or may be granted in any other form or manner.

13. If the corporation is claiming the tax credit as a party to a joint venture or as a member of a partnership that is a party to a joint venture, enter on line 20 of form CO-1029.8.36.II the result of the following calculation: $5,000 or $12,500, as applicable, multiplied by the proportion represented by the share of the corporation or partnership, as applicable, in the specified property, determined at the time of its acquisition.

14. "Percentage interest" refers to the corporation's share of the partnership's income (or loss) for its fiscal period, divided by the partnership's income (or loss) for its fiscal period. If the partnership has no income or loss for its fiscal period, do the calculation as if the partnership had income of $1,000,000.

15. If the corporation is a member of a qualified partnership through a number of groups of interposed partnerships, calculate the corporation's percentage interest in the qualified partnership separately for each such group, and complete form CO-1029.8.36.II as follows:
    - On line 35 (columns A to E), enter the required information about all the interposed partnerships in each group.
    - On line 36 (columns A to D), enter the required information about the qualified partnership.
    - On line 37, enter the corporation's total percentage interest in the qualified partnership (the sum of the corporation's percentage interests in the qualified partnership, calculated for each group).
    - Complete lines 38 and 39.

16. Do not subtract the amount of excluded expenses in calculating the specified expenses incurred by the corporation or partnership, as applicable.

17. Take into account only the expenses that enabled the corporation to benefit from an increase in the basic rate of the tax credit for investment or from the refundable portion of that tax credit. Note that the amount of excluded expenses must not be subtracted in calculating the eligible expenses incurred by the corporation or partnership, as applicable.

18. See note 16.

19. See note 17.

20. A corporation's percentage interest in a joint venture for a fiscal period of the joint venture corresponds to the proportion that the specified expenses incurred by the corporation as a party to the joint venture in that fiscal period are of all specified expenses incurred in the joint venture's fiscal period.

21. The specified expenses must have been incurred in the period from March 26, 2021, to December 31, 2023, to acquire specified property in that period. The specified property may also have been acquired in the period from January 1, 2024, to March 31, 2024, if:
    - it was acquired pursuant to a written obligation entered into before January 1, 2024; or
    - its construction by or on behalf of the qualified corporation or qualified partnership began before January 1, 2024.

    However, such property is not specified property if:
    - it was acquired pursuant to a written obligation entered into on or before March 25, 2021; or
    - its construction by or on behalf of the qualified corporation or qualified partnership had begun by March 25, 2021.

22. The non-refundable portion of the tax credit may be carried forward to the next 20 taxation years.

23. The total income tax of a qualified corporation for a taxation year is the total amount of income tax, compensation tax for financial institutions, tax on capital of insurance corporations and tax on capital of life insurers before taking into account the refundable tax credits.

    Subtract the portion of the amount of total taxes that was claimed by the corporation as a non-refundable tax credit from the amount of total taxes.

24. Take into account the assets of the corporations that are members of the associated group in the taxation year.

    Also take into account the total assets of a business carried on by an individual, other than a trust, deemed to be associated with the corporation in the taxation year.

25. Where a corporation is a member of an associated group for a taxation year, take into account the amount corresponding to the associated group's gross income for the preceding taxation year, based on the consolidated statement of results of the members of the associated group as if each member had an establishment in Québec.

    The consolidated statement of results of the members of the associated group for the preceding taxation year is established based on the statement of the results of the corporation for that preceding taxation year and the statement of the results of each of the other members of the associated group for its taxation year or fiscal period ended in that preceding taxation year.

    You must also take into account the gross income of a business carried on by an individual, other than a trust, deemed to be associated with the corporation for the taxation year.

26. The corporation can carry back all or a portion of the amount on line 147 only to previous years that end after March 10, 2020.

27. This amount can be carried forward to the next 20 taxation years.