

Tax Credit for the Production of Performances

Qualified corporation

Form CO-1029.8.36.SM must be filed by any corporation that wishes to claim the tax credit for the production of performances. To qualify for the tax credit, a corporation, in particular:

- must, in the taxation year, have an establishment in Québec and carry on therein a performance production business;
- must not be exempt from income tax;
- must not be controlled, directly or indirectly in any manner whatever, in the taxation year concerned or in the 24 months preceding the year, by one or more persons not resident in Québec;
- must not be controlled, directly or indirectly, by one or more corporations that are exempt from income tax and whose mission is cultural; **and**
- must have obtained a qualification certificate or a favourable advance ruling from the Société de développement des entreprises culturelles (SODEC) in respect of the performance for which it is claiming the tax credit.

Labour expenditure

To qualify for the tax credit, a labour expenditure:

- must have been incurred before the end of the taxation year and before the end of the third year following the first performance before an audience (or later if the extended period is reasonable to the Minister and ends on or before the day that is 18 months after the end of the fiscal period that includes the end of one of the three eligibility periods covered by boxes 07, 08 and 09 in part 2);
- must have been paid in the taxation year, or by the time the corporation claims the tax credit; **and**
- must relate to the stages of production from the pre-production stage to the performance before an audience, and must not relate to the broadcasting or promotion of the performance.

A labour expenditure incurred in a previous year may be considered a qualified expenditure for the taxation year concerned if the corporation filed with SODEC, in the year concerned, an application for an advance ruling or, failing that, an application for a qualification certificate. In such a case, the fact that the labour expenditure was paid in a previous year is not an issue.

Important

- Complete a separate copy of form CO-1029.8.36.SM for each performance for which the corporation is claiming the tax credit.
- Enclose all completed copies of form CO-1029.8.36.SM with the corporation income tax return (form CO-17, *Déclaration de revenus des sociétés*), along with a copy of either the favourable advance ruling given by SODEC or the valid qualification certificate SODEC issued for each eligibility period of each performance. All the required documents must be sent to us on or before the later of:
 - the day that is 12 months after the filing deadline for the return for the taxation year concerned; and
 - the day that is three months after either the day the favourable advance ruling was given or, in the absence of such a ruling, the day the qualification certificate required to obtain the tax credit for that taxation year was issued.¹
- If the corporation was required to make instalment payments for the taxation year covered by form CO-1029.8.36.SM, this tax credit will be used to reduce the amount of those payments.
- For more information, refer to sections 1029.8.36.0.0.10 and 1029.8.36.0.0.11 of the *Taxation Act*.

1 Information about the corporation

| | | | |
|--|--|--|---|
| Québec enterprise number (NEQ) 01a [REDACTED] | Identification number 01b [REDACTED] IC 0001 | File [REDACTED] | End date of fiscal period 05 [REDACTED] Y Y Y Y M M D D |
| Name of corporation 02 [REDACTED] | | | |

2 Information about the performance

06 Title of the performance [REDACTED]

Number of either the favourable advance ruling given or the qualification certificate issued for each eligibility period:

06a [REDACTED]

06b [REDACTED]

06c Date of the first performance before an audience (if it precedes the end date of the fiscal period) [REDACTED]
 Y Y Y Y M M D D

Check the box or boxes on form CO-1029.8.36.SM that correspond to the eligibility period(s) for which the corporation is claiming the tax credit.

- 07 Period covering the pre-production stage through the end of the first full year after the first performance before an audience
- 08 Period covering the second full year after the first performance before an audience
- 09 Period covering the third full year after the first performance before an audience

2 Information about the performance (continued)

Check box 09a on form CO-1029.8.36.SM, if applicable.

09a The following conditions have been met:

- The corporation is claiming the tax credit for one or more eligibility periods covered by boxes 07 through 09.
- The application for an advance ruling or the application for a qualification certificate for the period covered by box 07 was filed with SODEC after March 10, 2020.
- The period covered by box 07 ended after March 10, 2020.

If you did not check box 09a, check box 10c, box 10d or box 10e on form CO-1029.8.36.SM, depending on the corporation's situation. If none of the situations described below corresponds to the corporation's situation, contact us.

| | |
|---|---|
| <input type="checkbox"/> 10c <input type="checkbox"/> | <p>Check box 10c if:</p> <ul style="list-style-type: none"> • one of the following conditions (hereinafter referred to as "conditions relating to the period covered by box 07") is met: <ul style="list-style-type: none"> – the application for an advance ruling or the application for a qualification certificate for the period covered by box 07 was filed with SODEC before June 5, 2014,² or – such an application for the period covered by box 07 was filed with SODEC after March 26, 2015, and that period begins after that date; and • the corporation is claiming the tax credit for the following eligibility period(s): <ul style="list-style-type: none"> – the eligibility period covered by box 07, – the eligibility period covered by box 08, – the eligibility period covered by box 09, – the eligibility periods covered by boxes 07 and 08, – the eligibility periods covered by boxes 08 and 09. <p>Also check box 10c if:</p> <ul style="list-style-type: none"> • none of the conditions relating to the period covered by box 07 is met; • the corporation is claiming the tax credit for the following eligibility period(s): <ul style="list-style-type: none"> – the eligibility period covered by box 08, – the eligibility period covered by box 09, – the eligibility periods covered by boxes 08 and 09; and • the application for an advance ruling or the application for a qualification certificate for each period for which the tax credit is being claimed was filed with SODEC after March 26, 2015, and each period begins after that date. |
| <input type="checkbox"/> 10d <input type="checkbox"/> | <p>Check box 10d if:</p> <ul style="list-style-type: none"> • none of the conditions relating to the period covered by box 07 is met; • the corporation is claiming the tax credit for the following eligibility period(s): <ul style="list-style-type: none"> – the eligibility period covered by box 07, – the eligibility period covered by box 08, – the eligibility period covered by box 09, – the eligibility periods covered by boxes 07 and 08, – the eligibility periods covered by boxes 08 and 09; and • the application for an advance ruling or the application for a qualification certificate for each period (other than the period covered by box 07) for which the tax credit is being claimed was filed with SODEC before March 27, 2015, or each period begins before that date. |
| <input type="checkbox"/> 10e <input type="checkbox"/> | <p>Check box 10e if:</p> <ul style="list-style-type: none"> • none of the conditions relating to the period covered by box 07 is met; • the corporation is claiming the tax credit for the eligibility periods covered by boxes 07 and 08; and • the application for an advance ruling or the application for a qualification certificate for the period covered by box 08 was filed with SODEC after March 26, 2015, and that period begins after that date. <p>Also check box 10e if:</p> <ul style="list-style-type: none"> • none of the conditions relating to the period covered by box 07 is met; • the corporation is claiming the tax credit for the eligibility periods covered by boxes 08 and 09; • the application for an advance ruling or the application for a qualification certificate for the period covered by box 08 was filed with SODEC before March 27, 2015, or that period begins before that date; and • such an application for the period covered by box 09 was filed with SODEC after March 26, 2015, and that period begins after that date. |

Check the box on form CO-1029.8.36.SM that corresponds to the type of performance.

| | |
|---|---|
| <input type="checkbox"/> 10g <input type="checkbox"/> | Musical comedy |
| <input type="checkbox"/> 10h <input type="checkbox"/> | <p>Comedy show that meets one of the following conditions:</p> <ul style="list-style-type: none"> • the application for an advance ruling or the application for a qualification certificate for the eligibility period covered by box 07 was filed with SODEC after June 30, 2015; or • such an application for the eligibility period covered by box 07 was filed with SODEC after March 26, 2015, and before July 1, 2015, and SODEC considers that work on the production of the performance was not sufficiently advanced on March 26, 2015. |
| <input type="checkbox"/> 10i <input type="checkbox"/> | Other |

3 Labour expenditure

If you checked box 10e, complete part 3 of form CO-1029.8.36.SM for each of the eligibility periods covered by boxes 07 and 08 **or** boxes 08 and 09. Otherwise, complete part 3 only once for all the eligibility periods for which the corporation is claiming the tax credit.

| | | | |
|---|----|---|----------|
| Salaries or wages ³ paid to eligible employees ⁴ of the corporation for services rendered with respect to the eligibility period(s) concerned and directly attributable to the production of the performance ⁵ | 13 | | |
| Assistance, ⁶ benefit or advantage ⁷ related to the amount on line 13 | 14 | - | |
| Subtract line 14 from line 13. | = | | 15 |
| Other remuneration (subcontracting costs) paid to: | | | |
| • an eligible individual ⁸ | 16 | | |
| Assistance, benefit or advantage related to the amount on line 16 | 17 | - | |
| Subtract line 17 from line 16. | = | | 18 |
| • a corporation with an establishment in Québec, all of whose capital stock is owned by an eligible individual | 19 | | |
| Assistance, benefit or advantage related to the amount on line 19 | 20 | - | |
| Subtract line 20 from line 19. | = | | 21 |
| • a corporation with an establishment in Québec, other than a corporation described on line 19 ⁹ | 22 | | |
| Assistance, benefit or advantage related to the amount on line 22 | 23 | - | |
| Subtract line 23 from line 22. | = | | 24 |
| • a partnership with an establishment in Québec that carries on a business in Québec ¹⁰ | 25 | | |
| Assistance, benefit or advantage related to the amount on line 25 | 26 | - | |
| Subtract line 26 from line 25. | = | | 27 |
| Add lines 15, 18, 21, 24 and 27. | | | 28 |
| Labour expenditure | = | | A |

DO NOT COMPLETE THIS FORM

4 Qualified labour expenditure

If you checked box 10e, complete part 4 of form CO-1029.8.36.SM for each of the eligibility periods covered by boxes 07 and 08 **or** boxes 08 and 09. Otherwise, complete part 4 only once for all the eligibility periods for which the corporation is claiming the tax credit.

4.1 Qualified labour expenditure before application of the limit based on the cumulative production costs

| | | | | | | | | | |
|---|---|--|--|------|--|--|--|--|---|
| Labour expenditure (amount A) | | | | | | | | | |
| Assistance, benefit or advantage repaid (or deemed repaid) in the year and related to a labour expenditure of a previous year ¹¹ | + | | | 30 | | | | | |
| | | | | 31 | | | | | B |
| Total of amounts A shown on the copies of form CO-1029.8.36.SM completed for previous years. | | | | | | | | | |
| If you checked box 10e and are completing a second copy of form CO-1029.8.36.SM (for the period covered by box 08 or box 09, as applicable), add, to that total, amount A shown on the first completed copy of the form (for the period covered by box 07 or box 08, as applicable). | | | | | | | | | |
| | | | | 32 | | | | | |
| Total of amounts B shown on the copies of form CO-1029.8.36.SM completed for previous years. | | | | | | | | | |
| If you checked box 10e and are completing a second copy of form CO-1029.8.36.SM (for the period covered by box 08 or box 09, as applicable), add, to that total, amount B shown on the first completed copy of the form (for the period covered by box 07 or box 08, as applicable). | | | | | | | | | |
| | | | | + 33 | | | | | |
| Add lines 32 and 33. | = | | | 34 | | | | | |
| Total of amounts C shown on the copies of form CO-1029.8.36.SM completed for previous years. If you checked box 10e and are completing a second copy of form CO-1029.8.36.SM (for the period covered by box 08 or box 09, as applicable), add, to that total, amount C shown on the first completed copy of the form (for the period covered by box 07 or box 08, as applicable). | | | | | | | | | |
| | | | | 35 | | | | | |
| Special tax paid with respect to the amount on line 47 ¹² | | | | 40 | | | | | |
| Multiplication factor. | | | | | | | | | |
| If you checked box 10d, enter 3.5714. Otherwise, enter 2.8571. ¹³ | × | | | 41 | | | | | |
| Multiply line 40 by line 41. | = | | | 42 | | | | | |
| Subtract line 42 from line 35. | = | | | 43 | | | | | |
| Subtract line 43 from line 34. | = | | | | | | | | |
| Expenditures recovered from previous years | | | | | | | | | |
| | | | | | | | | | |
| Add lines 30, 31 and 45. | = | | | 46 | | | | | |
| Assistance, benefit or advantage that relates to a labour expenditure of a previous year ¹⁴ | - | | | 47 | | | | | |
| Subtract line 47 from line 46. | = | | | | | | | | |
| Qualified labour expenditure before application of the limit based on the cumulative production costs | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

4.2 Cumulative production costs

| | | | | | | | | | |
|--|---|--|--|------|--|--|--|--|---|
| Production costs ¹⁵ that were incurred in the year during the eligibility period(s) concerned and that have been paid | | | | 51 | | | | | |
| Cumulative production costs at the end of the previous year (amount P shown on the copy of form CO-1029.8.36.SM completed for the previous year). If you checked box 10e and are completing a second copy of form CO-1029.8.36.SM (for the period covered by box 08 or box 09, as applicable), enter instead amount P shown on the first completed copy of the form (for the period covered by box 07 or box 08, as applicable). | | | | | | | | | |
| | | | | + 52 | | | | | |
| Add lines 51 and 52. | = | | | 55 | | | | | |
| Assistance, benefit or advantage related to the amount on line 51 | | | | 56 | | | | | |
| Assistance, benefit or advantage that relates to production costs of a previous year. ¹⁶ If you checked box 10e and are completing a second copy of form CO-1029.8.36.SM (for the period covered by box 08 or box 09, as applicable), do not take into account the amount entered on line 57 of the first completed copy of the form (for the period covered by box 07 or box 08, as applicable). | | | | | | | | | |
| | | | | + 57 | | | | | |
| Add lines 56 and 57. | = | | | 58 | | | | | |
| Subtract line 58 from line 55. | = | | | 59 | | | | | P |
| Cumulative production costs | | | | | | | | | |

4.3 Limit based on the cumulative production costs

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| Cumulative production costs (amount P) | | | | | | | | | |
| Applicable rate. If you checked box 09a, enter 65% on line 61. Otherwise, enter 50%. | | | | | | | | | |
| Multiply line 60 by line 61. | | | | | | | | | |
| | | | | | | | | | |
| Amount on line 35 | | | | | | | | | |
| Total amount of special tax paid for previous years ¹⁷ | | | | | | | | | |
| Multiplication factor (line 41) | | | | | | | | | |
| Multiply line 64 by line 65. | | | | | | | | | |
| Subtract line 68 from line 63. | | | | | | | | | |
| Subtract line 69 from line 62. | | | | | | | | | |
| Enter the amount from line 50 or line 70, whichever is less . | | | | | | | | | |

5 Tax credit

Complete part 5 of form CO-1029.8.36.SM only once for all the eligibility periods for which the corporation is claiming the tax credit. If you checked box 10d, enter 0 on line 74 and do the required calculations on lines 75 through 91.

| | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|--|
| Qualified labour expenditure (amount C). If you checked box 10e, enter amount C shown on the second completed copy of form CO-1029.8.36.SM (for the period covered by box 08 or box 09, as applicable). | | | | | | | | | |
| Tax credit rate. Enter 35%. | | | | | | | | | |
| Multiply line 72 by line 73. If you checked box 09a or box 10c, carry the result to line 77. | | | | | | | | | |
| Qualified labour expenditure (amount C). If you checked box 10e, enter amount C shown on the first completed copy of form CO-1029.8.36.SM (for the period covered by box 07 or box 08, as applicable). | | | | | | | | | |
| Tax credit rate. Enter 28%. | | | | | | | | | |
| Multiply line 75 by line 76. | | | | | | | | | |
| Add lines 74 and 76a. | | | | | | | | | |
| Maximum tax credit. If you checked box: | | | | | | | | | |
| • 10g, enter \$1,250,000; | | | | | | | | | |
| • 10h, enter \$350,000; or | | | | | | | | | |
| • 10i, enter \$750,000. | | | | | | | | | |
| If the performance was co-produced by the corporation and one or more other qualified corporations, enter as a percentage the corporation's share. ¹⁸ Otherwise, enter 100%. | | | | | | | | | |
| Multiply line 80 by line 84. | | | | | | | | | |
| Total of amounts V shown on the copies of form CO 1029.8.36.SM completed for previous years | | | | | | | | | |
| Total amount of special tax paid for previous years (total of the amounts on line 64) | | | | | | | | | |
| Subtract line 88 from line 87. | | | | | | | | | |
| Subtract line 89 from line 85. | | | | | | | | | |
| Enter the amount from line 77 or line 90, whichever is less . Carry amount V (or the total of amounts V) to one of lines 440p through 440y of form CO-17, <i>Déclaration de revenus des sociétés</i> , and enter code 43 in the appropriate box. | | | | | | | | | |

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 30 in the spaces provided on that form for that purpose. For more information, refer to sections 1129.4.0.13 to 1129.4.0.16 of the *Taxation Act*.

Notes

1. Where all copies of the prescribed form are sent to us within the time allowed (12 or three months, as the case may be) and the favourable advance ruling or the qualification certificate required to be able to claim the tax credit has been duly obtained from SODEC, the application for the tax credit will be accepted, even if the copy of the favourable advance ruling or the copy of the qualification certificate is sent to us after the time allowed for filing the prescribed form. However, your application will not be processed until we receive a copy of either the favourable advance ruling or the qualification certificate. For more information, contact us.
2. The application for an advance ruling or the application for a qualification certificate for the eligibility period covered by box 07 may also have been filed with SODEC after June 4, 2014, and before September 1, 2014, if SODEC considers that the work on the production of the performance was sufficiently advanced on June 4, 2014.
3. Where, for a taxation year, the salary or wages paid to an employee (or a similar qualified expenditure) may qualify for more than one tax credit, certain restrictions apply. However, if only a portion of the salary or wages (or expenditure) is used to claim a tax credit, another portion thereof may be used to claim another tax credit under certain conditions. For more information, refer to sections 1029.6.0.1 and 1029.6.0.1.2.1 to 1029.6.0.1.2.3 of the *Taxation Act*.
4. The term “eligible employee” means an employee resident in Québec at any time in the calendar year in which the employee renders services as part of the production of the performance.
5. Expenditures relating to the promotion and broadcasting of the performance are not labour expenditures.
6. The term “assistance” refers to any government assistance and any non government assistance that the corporation or a subcontractor not dealing at arm’s length with the corporation 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 year covered by form CO-1029.8.36.SM. The term does not 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 following forms of assistance do not constitute government assistance or non-government assistance and, consequently, do not reduce labour expenditures or production costs:
 - the tax credit for the production of performances;
 - amounts received from the Conseil des arts et des lettres du Québec;
 - amounts received from the Canada Council for the Arts;
 - amounts received from SODEC;
 - amounts received from Fondation Musicaction or the Foundation Assisting Canadian Talent on Recordings;
 - amounts received from a government, municipality or other public authority as fees paid to acquire performances of a show;
 - financial assistance granted by the Société des célébrations du 375^e anniversaire de Montréal.
7. The phrase “benefit or advantage” refers to any benefit or advantage that a person or 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 year covered by form CO-1029.8.36.SM. The phrase does not refer to any amount received and repaid in the year in respect of which the tax credit is claimed. 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.
8. The term “eligible individual” means an individual resident in Québec at any time in the calendar year in which the individual renders services as part of the production of the performance.

Enter on line 16 of form CO-1029.8.36.SM the remuneration paid, as part of the production of the performance, for services rendered by an eligible individual (subcontractor), by eligible employees of that individual or by another eligible individual (paid by the aforementioned individual) who is an artist subject to the *Act respecting the professional status and conditions of engagement of performing, recording and film artists*.
9. Enter on line 22 of form CO-1029.8.36.SM the remuneration paid, as part of the production of the performance, to a corporation with an establishment in Québec (other than a corporation described on line 19) for services rendered by eligible employees of the corporation or by an eligible individual (paid by the corporation) who is an artist subject to the *Act respecting the professional status and conditions of engagement of performing, recording and film artists*.
10. Enter on line 25 of form CO-1029.8.36.SM the remuneration paid, as part of the production of the performance, to a partnership that carries on a business in Québec for services rendered by an eligible individual who is a member of the partnership, by eligible employees of the partnership or by an eligible individual (paid by the partnership) who is an artist subject to the *Act respecting the professional status and conditions of engagement of performing, recording and film artists*.
11. If you checked box 10e, contact us to find out how to calculate the amount to be entered on line 31 of form CO 1029.8.36.SM.
12. If you checked box 10e, contact us to find out how to calculate the amount to be entered on line 40 of form CO-1029.8.36.SM
13. If the corporation paid a special tax, contact us to find out the multiplication factor to be entered on line 41 of form CO-1029.8.36.SM.
14. The amount on line 47 of form CO-1029.8.36.SM must include the amount shown on line 47 of all copies of form CO-1029.8.36.SM completed for previous years. It must therefore include the total of the following:
 - any assistance, benefit or advantage received in the year that relates to a labour expenditure for a previous year but that did not reduce the expenditure;
 - any assistance, benefit or advantage received in a previous year that relates to a labour expenditure for a year preceding the previous year in question but that did not reduce the expenditure.
 If you checked box 10e, contact us to find out how to calculate the amount to be entered on line 47.
15. The term “production costs” means the costs included in the production cost, cost or capital cost of the performance, other than costs incurred for the broadcasting or promotion of the performance. The production costs include the portion of the depreciation of property that relates to the use of the property by the corporation in the year as part of the production of the performance. They also include the production fees and administrative costs, to the extent they are reasonable and directly attributable to the production, as well as any assistance, benefit or advantage repaid (or deemed repaid) by the corporation in the year and related to production costs of a previous year.
16. The amount on line 57 of form CO-1029.8.36.SM must include the amount shown on line 57 of all copies of form CO-1029.8.36.SM completed for previous years. It must therefore include the total of the following:
 - any assistance, benefit or advantage received in the year that relates to costs for a previous year but that did not reduce the costs;
 - any assistance, benefit or advantage received in a previous year that relates to costs for a year preceding the previous year in question but that did not reduce the costs.
17. If you checked box 10e, contact us to find out how to calculate the amount to be entered on line 64 of form CO-1029.8.36.SM.
18. The corporation’s share is shown in the favourable advance ruling given by SODEC or on the qualification certificate issued by SODEC, as applicable.