

Courtesy Translation

Corporations established in Québec are required to communicate with Revenu Québec in French. For this reason, Revenu Québec does not produce an English version of the forms to be used by corporations. However, Revenu Québec provides translations of the content of the forms for information purposes.

Election To Have a Dividend Deemed To Be a Capital Gains Dividend

This form must be completed by any investment corporation or mutual fund corporation that wishes to elect,¹ under section 1106 or 1116 of the *Taxation Act*, to have a dividend that the corporation must pay at a particular time during the taxation year deemed to be a capital gains dividend.²

Important information

You must complete two separate copies of form CO-1106 and enclose, with **each** copy, the following documents:

- a copy of the federal form T2055, *Election in respect of a Capital Gains Dividend Under Subsection 131(1)*, as well as a copy of the schedule you sent to the Canada Revenue Agency showing the calculation of the capital gains dividend;
- a document signed by the corporation's directors confirming that the corporation made a similar election under subsection 131(1) of the *Income Tax Act* in respect of that dividend;
- a certified copy of the resolution authorizing the election, where the directors of the corporation are legally authorized to administer the affairs of the corporation, **or** a certified copy of the authorization to make the election obtained from the persons legally authorized to administer the affairs of the corporation, where the directors of the corporation are not legally authorized to do so.

You must mail both copies of the form and all required documents to us at 3800, rue de Marly, Québec (Québec) G1X 4A5, no later than the earlier of the following dates:

- the date the dividend becomes payable by the corporation;
- the date the first payment of any portion of the dividend is made.

For more information, see sections 1104, 1106, 1116 and 1117 of the *Taxation Act*.

1 Information about the corporation

01a	Québec enterprise number (NEQ)	01b	Identification number	File	IC 0001
02	Name of corporation				
03	Address of head office or principal place of business			04	Postal code

2 Information about the capital gains dividend

10	Enter the date on which the capital gains dividend becomes payable by the corporation.	Y	M	D
11	Enter the date of the first payment of the capital gains dividend.	Y	M	D
12	Has the corporation previously made an election to designate a dividend as a capital gains dividend?			
	If you answered Yes to question 12, provide the following information:		Yes	No
13	Date the last election was made	Y	M	D
14	Amount of the dividend to which that election applied			

3 Capital gains dividend from another corporation

Complete Part 3 if the corporation's capital gains dividend account includes a capital gains dividend paid by another corporation **and** that dividend has been added to the capital gains dividend account since the last time the corporation made an election to designate a dividend as a capital gains dividend.

Part 3 must be completed for each capital gains dividend paid by another corporation. If space is insufficient, enclose another copy of the form.

15	Name of corporation that paid the capital gains dividend			
16	Québec enterprise number (NEQ)			
17	Identification number			
18	Date on which the dividend became payable by the other corporation	Y	M	D
19	Amount of the dividend in question			

4 Dividend deemed to be a capital gains dividend

20	Total amount of the dividend to which the election applies
21	Amount of the capital gains dividend account immediately before the date on which the dividend becomes payable by the corporation
22	Enter the amount from line 20 or line 21, whichever is less. Dividend deemed to be a capital gains dividend

5 Election and certification

I, [name of signee (please print)], am authorized to sign on behalf of the corporation, which hereby elects that the dividend entered in Part 4, in the amount of \$[amount from line 22], be deemed a capital gains dividend under section 1106 or section 1116 of the *Taxation Act*.

Signature	Date	Title or position	Area code Telephone
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1. This election is valid only if it is made in the prescribed manner and form and for the full amount of the dividend.
 2. Where, at any particular time, a dividend becomes payable by a corporation that is an investment corporation or a mutual fund corporation, the corporation may elect to have the following rules apply:
 - The portion of the dividend that is not in excess of the amount of the corporation's capital gains dividend account immediately before that time is deemed to be a capital gains dividend.
 - No portion of the dividend received by a taxpayer is included in calculating the taxpayer's income for the year.