

Courtesy Translation

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You must file the French version.

Property Tax Refund for Forest Producers

Forest producer

Form FM-220.3 is to be used by any corporation that is a certified forest producer actively engaged in the management and development of its woodlots, and that is claiming a property tax refund for certified forest producers in respect of an assessment unit that has been registered with the Minister of Forests, Wildlife and Parks.¹

A corporation is considered a certified forest producer under the *Sustainable Forest Development Act* if it meets the following conditions:

- The corporation owns a parcel of land or a group of parcels of land that may constitute an assessment unit within the meaning of section 34 of the *Act respecting municipal taxation* and whose total forest area is not less than four hectares, provided the corporation has a forest management plan for the parcel or group of parcels that has been certified by a forest engineer as being consistent with the by-laws of a regional agency for private forest development that has jurisdiction in the area.
- The corporation registered the total forested area of the assessment unit for which it holds a valid certificate issued by the Minister of Forests, Wildlife and Parks attesting to its status as a certified forest producer.

Eligible development expenses

Eligible development expenses are development expenses incurred in the year in accordance with the *Sustainable Forest Development Act* and with respect to which the corporation has a report prepared by a forest engineer that contains a statement of such expenses, or such expenses incurred in previous years that the corporation has in reserve.

For more information concerning the conditions of eligibility for development expenses, refer to the *Regulation respecting the reimbursement of property taxes of certified forest producers*.

Note that, for a taxation year ending **before January 1, 2022**, the corporation is entitled to a property tax refund only if the amount of its development expenses is equal to or greater than the amount of the property taxes.

Carry-over of eligible development expenses

If the amount of the corporation's eligible development expenses is greater than the amount of the property taxes it paid in a taxation year, the corporation can carry the expenses incurred in that year forward over the next ten years.

If the amount of the corporation's eligible development expenses is less than the amount of the property taxes it paid in a taxation year ending **before January 1, 2022**, the corporation can carry the expenses incurred in that year forward over the next five years.

Important information

- If more than one person is entitled to a property tax refund for the same assessment unit, the refund is paid to the person whose name appears on the property tax account. Furthermore, if that person has a debt owing to us, we reserve the right to apply the refund to the payment of that debt.
- You must enclose form FM-220.3 with form CO-17, *Déclaration de revenus des sociétés*. Also enclose copies of the property tax bills paid for each assessment unit for which the corporation is claiming a refund.
- The deadline for filing form FM-220.3 differs depending on the type of corporation claiming the refund:
 - In the case of a Canadian-controlled private corporation, form FM-220.3 must be filed no later than three years after the end of the corporation's taxation year that includes the end date of the municipal or school fiscal period for which the property taxes were paid.
 - In the case of any other corporation, form FM-220.3 must be filed no later than four years after the end of the corporation's taxation year that includes the end date of the municipal or school fiscal period for which the property taxes were paid.
- For more information, refer to sections 220.2 to 220.14 of the *Act respecting municipal taxation* and sections 130 and 131 of the *Sustainable Forest Development Act*.

1 Information about the corporation

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

2 Eligible development expenses for the year

Eligible development expenses for the year (according to the forest engineer's report)

10 [Redacted]

Development expenses carried forward from the previous five years

Enter the year in which the expenses were incurred and the amount carried forward.

Year	Amount carried forward
[Redacted]	11
[Redacted]	12
[Redacted]	12a
[Redacted]	12b
[Redacted]	12c

Add lines 11 through 12c.

Development expenses carried forward from the previous five years =

+ 13 [Redacted]

Excess development expenses that can be carried forward from the previous ten years

Enter the year in which the expenses were incurred and the excess amount that can be carried forward.

Year	Excess amount
[Redacted]	14
[Redacted]	+ 15
[Redacted]	+ 16
[Redacted]	+ 17
[Redacted]	+ 18
[Redacted]	+ 19
[Redacted]	+ 20
[Redacted]	+ 21
[Redacted]	+ 22
[Redacted]	+ 23

Add lines 14 through 23.

Excess development expenses that can be carried forward from the previous ten years =

+ 24 [Redacted]

Add lines 10, 13 and 24.

Eligible development expenses for the year =

25 [Redacted]

3 Property tax refund for forest producers

3.1 Taxation year ending before January 1, 2022

You must complete section 3.1 of form FM-220.3 for each assessment unit in respect of which the corporation is claiming a refund of the property taxes paid for a taxation year ending **before** January 1, 2022. If the corporation is claiming a refund for more than three assessment units, attach one or more separate sheets containing the requested information for the additional units.

You must complete part 4 for each assessment unit before completing section 3.1.

First assessment unit

Eligible development expenses for the year (amount from line 25)

26 [Redacted]

Property taxes paid for the first assessment unit (amount from line 64 calculated for this unit)

- 27 [Redacted]

Subtract line 27 from line 26. If the result is negative, the corporation is not entitled to a refund for the year. If the result is positive² or nil, carry the amount on line 27 to line 35.

= 28 [Redacted]

Second assessment unit

Eligible development expenses for the year (amount from line 28)

29 [Redacted]

Property taxes paid for the second assessment unit (amount from line 64 calculated for this unit)

- 30 [Redacted]

Subtract line 30 from line 29. If the result is negative, the corporation is not entitled to a refund for the year. If the result is positive³ or nil, carry the amount on line 30 to line 36.

= 31 [Redacted]

Third assessment unit

Eligible development expenses for the year (amount from line 31)

32 [Redacted]

Property taxes paid for the third assessment unit (amount from line 64 calculated for this unit)

- 33 [Redacted]

Subtract line 33 from line 32. If the result is negative, the corporation is not entitled to a refund for the year. If the result is positive⁴ or nil, carry the amount on line 33 to line 37.

= 34 [Redacted]

Property taxes paid for the first assessment unit (amount from line 27)		35	85%
Property taxes paid for the second assessment unit (amount from line 30)	+	36	
Property taxes paid for the third assessment unit (amount from line 33)	+	37	
Add lines 35 through 37 and the property taxes paid for any additional assessment units calculated on the copies of part 4 attached to form FM-220.3.			
Property taxes paid	=	38	
Applicable rate	×	39	85%
Multiply line 38 by line 39.			
Carry amount V to one of lines 440p through 440y of form CO-17, <i>Déclaration de revenus des sociétés</i> , and enter code 07 in the corresponding box.			V
Property tax refund⁵ for forest producers	=	40	

3.2 Taxation year ending after December 31, 2021

Complete section 3.2 for a taxation year ending **after** December 31, 2021.

You must complete part 4 for each assessment unit before completing section 3.2.

Development expenses for the year (amount from line 25)		41	85%
Property taxes paid for all assessment units (total of the amounts from line 64)	-	42	
Subtract line 42 from line 41. If the result is negative, carry the amount on line 41 to line 44. If the amount is positive or nil, carry the amount on line 42 to line 44.	=	43	
Eligible development expenses		44	85%
Applicable rate	×	45	
Multiply line 44 by 85%.			V
Carry amount V to one of lines 440p through 440y of form CO-17, <i>Déclaration de revenus des sociétés</i> , and enter code 07 in the corresponding box.			
Property tax refund⁵ for forest producers	=	46	

4 Property taxes paid for an assessment unit

Complete part 4 to calculate the property taxes paid but not refunded for **one** assessment unit only. If the corporation needs to calculate such an amount for more than one assessment unit, attach copies of this part.

Number of the assessment unit		49	
Total municipal taxes paid	End date of municipal fiscal period	Y Y Y Y M M D D	50
Total school taxes paid	End date of school fiscal period	Y Y Y Y M M D D	51
Add lines 50 and 51.			
Property taxes paid	=	52	
Property taxes that were refunded:			
• by the municipality		53	
• by the school service centre	+	54	
• by any other person or entity (specify)	+	55	
Property tax refund (other than a refund pertaining to property taxes covered under this application) that the corporation received under the <i>Act respecting municipal taxation</i>	+	56	
Add lines 53 through 56.	=	57	
Subtract line 57 from line 52.			
Property taxes paid but not refunded	=	58	
Value of the land		59	100
Total value of the assessment unit	÷	60	
Divide line 59 by line 60.	=	61	
	×	62	
Multiply line 61 by 100.	=		%
Multiply line 58 by the percentage on line 63.	×	63	
Property taxes paid for the assessment unit	=	64	

5 Certification

I certify that the information contained in this form is accurate and complete.

If the corporation receives, in any manner whatsoever, a refund of the property taxes covered in this application, it agrees to remit to Revenu Québec an amount equal to the difference between the amount on line 40 or 46 of form FM-220.3 that the corporation submitted and the amount recalculated taking the refund into account.

Name of authorized person

Address

Signature

Position

Date

Notes

1. An assessment unit registered in the period from September 20, 2012, to April 23, 2014, would have been registered with the Minister of Natural Resources.
2. If the corporation has another assessment unit, carry the result (if it is positive) to the line corresponding to the eligible development expenses incurred for the year in respect of that other unit. Otherwise, the excess amount of eligible development expenses for the year (all or a portion of the amount from line 10) can be carried forward over the next ten years, provided that the corporation meets the required conditions for each year.
3. See note 2.
4. See note 2.
5. If a corporation is not entitled to all or a portion of a property tax refund it has received, it must remit the amount to which it is not entitled to the Minister of Revenue of Québec within 90 days of the mailing date of the notice issued by the Minister.