

### 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.

## Agreement Between Associated Corporations Regarding the Expenditure Limit

### Qualified corporation

Form RD-1029.7.8 must be filed by a corporation if, in particular:

- it is claiming any of the following tax credits:
  - the tax credit for salaries and wages (R&D);
  - the tax credit for private partnership pre-competitive research;
  - the tax credit for university research or research carried out by a public research centre or a research consortium;
  - the tax credit for fees and dues paid to a research consortium;
- it is associated with one or more other corporations in the taxation year;
- it and the corporation(s) with which it is associated are not controlled, directly or indirectly in any manner whatever, by one or more persons not resident in Canada; and
- it wishes to agree with the corporation(s) with which it is associated on how to allocate between themselves the prescribed \$3,000,000 expenditure limit that applies in calculating each tax credit.

Form RD-1029.7.8 must be completed for each taxation year<sup>1</sup> for which the associated corporations wish to allocate the expenditure limit between themselves.

### Important information

- Enclose form RD-1029.7.8 with the copy of form CO-17, *Déclaration de revenus des sociétés*, filed by the corporation claiming the tax credit.
- The Minister of Revenue may allocate an expenditure limit between associated corporations for a taxation year if any of the corporations fails to send form RD-1029.7.8 to the Minister within 30 days after a notice in writing is sent indicating that the form is required to prepare a notice of assessment.
- Enclose another copy of form RD-1029.7.8 if the number of corporations in parts 2 and 3 is greater than the number of lines on the form.
- A copy of form RD-1029.7.8 must be completed for each of the associated corporations. Also, the agreement (Part 3 of form RD-1029.7.8) must be signed by an authorized representative of each of them.
- If a corporation is claiming more than one of the aforementioned tax credits, a copy of form RD-1029.7.8 must be completed for each tax credit. The \$3,000,000 expenditure limit applies in calculating **each** tax credit.
- For more information regarding the application of the expenditure limit in calculating the tax credit for salaries and wages (R&D), refer to sections 1029.7.7 to 1029.7.10 of the *Taxation 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 M D** )

## 2 Allocation of the expenditure limit between the associated corporations

10 Name of the tax credit to which the agreement relates

A Name of corporation	B Québec enterprise number (NEQ)	C Identification number	D Allocation of the expenditure limit between the associated corporations
11 Claimant corporation			
12 1. Associated corporation			
2. Associated corporation			
3. Associated corporation			
4. Associated corporation			
5. Associated corporation			
6. Associated corporation			
7. Associated corporation			
Total (maximum: \$3,000,000)			

## 3 Agreement and signatures

We, the authorized representatives of each of the associated corporations referred to in Part 3 of form RD-1029.7.8, agree that, for the taxation year covered by the form, the expenditure limit shall be allocated as shown in column D of Part 2 of said form.

A Name of corporation	B Signature of authorized representative	C Title or position	D Date
35 Claimant corporation			
36 1. Associated corporation			
2. Associated corporation			
3. Associated corporation			
4. Associated corporation			
5. Associated corporation			
6. Associated corporation			
7. Associated corporation			

### Note

1. Special rules apply where a corporation that has **more than one taxation year** ending in the same calendar year is associated in at least two of those taxation years with another corporation whose taxation year ends in that calendar year. In such a case, the corporation's expenditure limit for each taxation year in which it is associated with the other corporation and that ends in that calendar year is, subject to the following paragraph, equal to its expenditure limit for the first of those taxation years, determined without taking into account the following paragraph.

Furthermore, where a corporation has **a taxation year of less than 51 weeks**, its expenditure limit for that taxation year is equal to the result obtained by multiplying its expenditure limit for the year, determined without taking into account this paragraph, by the ratio between the number of days in the year and 365.