

Tax Credit for the Reporting of Tips

Complete this form if you are an individual and you are claiming a refundable tax credit for payroll taxes that you or a partnership of which you are a member paid for the 2022 calendar year on tips received by or allocated to eligible employees.

You must enclose this form with your 2022 income tax return. However, if you are a **member of a partnership** whose fiscal period includes December 31, 2022, but ends in 2023, enclose this form with your 2023 income tax return to claim the tax credit for payroll taxes paid by the partnership in 2022.

If you are unable to file this form with your income tax return, send it to us with a duly completed copy of form TP-1.R-V, *Request for an Adjustment to an Income Tax Return*, within 12 months after the deadline for filing the return.

Note: If you are claiming the tax credit on behalf of a corporation, use form CO-1029.8.33.13, *Crédit d'impôt relatif à la déclaration des pourboires*.

Before completing this form, read the information on pages 4 and 5.

1 Your identification

Last name and first name

Social insurance number

2 Identification of sole proprietorship

Name of regulated establishment

Québec enterprise number (NEQ)

Identification number

File

Address of regulated establishment

Postal code

3 Identification of partnership

Name of partnership

End date of fiscal period

Identification number

File

Name of regulated establishment

Québec enterprise number (NEQ)

Identification number

File

Address of regulated establishment

Postal code



4 Tips, contributions and indemnities

4.1 Tips of all eligible employees

To complete lines 1 through 6, you can use the copy of form TP-1019.4-V (statement of tips) provided by your employees for each pay period.

		Sole proprietorship	Partnership
Tips reported to the employer for pay periods ending in 2022	1		
Tips controlled by the employer (service charges added to the customer's bill) for pay periods ending in 2022	+ 2		
Indemnities (other than vacation pay) paid in 2022 and calculated for pay periods ending in 2022 on reported, controlled or allocated tips (see note below)	+ 3		
Add lines 1 through 3. Carry the result to lines 21 and 25.	= 4		
Tips allocated by the employer for pay periods ending in 2022	+ 5		
Add lines 4 and 5. Carry the result to lines 8, 11, 17 and 29. Tips of all eligible employees	= 6		

Note: The indemnities to be reported on line 3 include those paid for statutory holidays, for family or parental leave (for a marriage, birth, adoption or death) and for leave taken to fulfill family obligations or for health reasons.

4.2 Employer contribution to the health services fund

Total payroll (TP) for the year	7		
Amount from line 6	8		

Applicable rate for the year according to the TP	TP	Rate
	\$1,000,000 or less	1.65%
	More than \$1,000,000 but less than \$7,000,000	$1.2150\% + \left(0.4350\% \times \frac{TP}{1,000,000}\right)$
	\$7,000,000 or more	4.26%

Multiply line 8 by line 9. Carry the result to line 35. Employer contribution to the health services fund	9	%	%
	10		

4.3 Employer contribution related to labour standards

Amount from line 6	11		
Vacation pay paid in 2022 and calculated on tips	+ 12		
Add lines 11 and 12.	= 13		
Adjustment respecting the maximum remuneration subject to the contribution related to labour standards for 2022 (see page 5)	- 14		
Subtract line 14 from line 13.	= 15		
	×	0.06%	0.06%
Multiply line 15 by 0.06%. Carry the result to line 36. Employer contribution related to labour standards	= 16		

4.4 Employer contribution to the QPP

Amount from line 6	17		
Adjustment respecting the maximum pensionable earnings under the QPP for 2022 (see page 5)	- 18		
Subtract line 18 from line 17.	= 19		
Adjustment for employees under 18 in 2022 (see page 5)	- 19a		
Subtract line 19a from line 19.	= 19b		
	×	6.15%	6.15%
Multiply line 19b by 6.15%. Carry the result to line 37. Employer contribution to the QPP	= 20		

4.5 Employer EI premium

Amount from line 4	21		
Adjustment respecting the maximum insurable earnings subject to EI premiums for 2022 (see page 5)	- 22		
Subtract line 22 from line 21.	= 23		
EI contribution rate for 2022	×	23.1	%
Multiply line 23 by line 23.1. Carry the result to line 38. Employer EI premium	= 24		%



4.6 Employer QPIP premium

		Sole proprietorship	Partnership
Amount from line 4	=	25	
Adjustment respecting the maximum insurable earnings subject to QPIP premiums for 2022 (see page 5)	-	26	
Subtract line 26 from line 25.	=	27	
	×	0.692%	0.692%
Multiply line 27 by 0.692%. Carry the result to line 39. Employer QPIP premium	=	28	

4.7 Employer contribution to the CNESST

Amount from line 6	=	29	
Vacation pay paid in 2022 and calculated on tips	+	29.1	
Add lines 29 and 29.1.	=	29.2	
Adjustment respecting the maximum insurable earnings for the CNESST in 2022 (see page 5)	-	29.3	
Subtract line 29.3 from line 29.2.	=	29.4	
CNESST contribution rate for 2022	×	30	%
Multiply line 29.4 by line 30. Carry the result to line 40. Employer contribution to the CNESST	=	31	%

4.8 Vacation pay and employer contributions on the vacation pay

Sole proprietorship: Vacation pay earned by the employees in 2022 and calculated on the tips reported, controlled or allocated for pay periods ending in 2022	=	32	
Partnership: Vacation pay earned by the employees in the fiscal period that includes December 31, 2022, and calculated on the tips reported, controlled or allocated for pay periods ending in that fiscal period	=	32	
Sole proprietorship: Employer health services fund and QPP contributions and employer EI and QPIP premiums calculated on the vacation pay, according to the rates applicable for 2022 and the applicable maximums	+	33	
Partnership: Employer health services fund and QPP contributions and employer EI and QPIP premiums calculated on the vacation pay earned by the employees, according to the rates applicable for the year in which the vacation pay was earned and the applicable maximums, if the fiscal period includes December 31, 2022	+	33	
Add lines 32 and 33. Carry the result to line 41. Vacation pay and employer contributions on the vacation pay	=	34	

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Employer contribution to the health services fund (amount from line 10)	=	35	
Employer contribution related to labour standards (amount from line 16)	+	36	
Employer contribution to the QPP (amount from line 20)	+	37	
Employer EI premium (amount from line 24)	+	38	
Employer QPIP premium (amount from line 28)	+	39	
Employer contribution to the CNESST (amount from line 31)	+	40	
Vacation pay and employer contributions on the vacation pay (amount from line 34)	+	41	
Indemnities calculated on tips for statutory holidays, for family or parental leave and for leave taken to fulfill family obligations or for health reasons and paid for 2022 or the fiscal period that includes December 31, 2022 (see page 4)	+	42	
Add lines 35 through 42.	=	43	
	×	44	75%
Multiply line 43 by 75%. In the case of a sole proprietorship, carry the result to line 48.	=	45	
Percentage interest in the partnership	×	46	%
Multiply line 45 by line 46. Carry the result to line 49.	=	47	
Amount from line 45 (sole proprietorship)	=	48	
Amount from line 47 (partnership)	+	49	
Add lines 48 and 49. Carry the result to line 462 of your income tax return. Tax credit for the reporting of tips	=	50	



Information

Eligibility requirements

You can claim a refundable tax credit for the payroll taxes that you or a partnership of which you are a member paid **for the 2022 calendar year**, where the taxes relate to tips:

- received by your eligible employees or the eligible employees of the partnership; or
- allocated to such employees.

To claim the tax credit, you must be:

- the employer of an individual who, in 2022, works in the restaurant and hotel sector for a regulated establishment (see the definition in section 1.3 of document IN-250-V, *Tax Measures Respecting Tips*); or
- a member of a partnership that, during the fiscal period that includes December 31, 2022, is the employer of such an individual.

If you are a member of a partnership, the tax credit is based on your percentage interest in the partnership.

Eligible employee

An “eligible employee” is an employee of a regulated establishment who receives tips directly or indirectly in the course of his or her duties.

An eligible employee may also be an employee who receives, either directly or indirectly, tips derived entirely or almost entirely (90% or more) from service charges paid by the customers of the regulated establishment. In this case, the following conditions must be met:

- All or nearly all service charges represent at least 10% of the amount of tippable sales, and customers are informed of the mandatory nature of the charges.
- Any tip-sharing arrangement in effect at the establishment is administered by the employer.

Percentage interest

The “percentage interest” is your share of the partnership’s income (or loss) for a given fiscal period, divided by the partnership’s income (or loss) for that period. If the partnership had no income or loss for its fiscal period, do the calculations as if the partnership had income of \$1,000,000.

Amounts qualifying for the tax credit

The portion of the following contributions and premiums that relates to tips received (directly or indirectly) by an eligible employee or correctly allocated to an eligible employee, for pay periods ending in 2022, gives entitlement to the tax credit:

- employer contributions to the health services fund, the QPP and the CNESST, and the employer contribution related to labour standards;
- employer EI and QPIP premiums (since allocated tips are not subject to employer EI and QPIP premiums, a tax credit cannot be claimed in this regard).

The following amounts also qualify for the tax credit:

- **on line 32**, the vacation pay earned by the employees in 2022 (or during the fiscal period that includes December 31, 2022, if you are a member of a partnership), under the *Act respecting labour standards or an employment contract*, on tips received or allocated;
- **on line 33**, the employer health services fund and QPP contributions and the employer EI and QPIP premiums calculated on the vacation pay (these amounts must be determined according to the employer contribution rates applicable for the year in which the vacation pay was earned by the employees);
- **on line 42**, the indemnities calculated on reported, controlled or allocated tips for statutory holidays, for family or parental leave and for leave taken to fulfill family obligations or for health reasons and that were paid for the 2022 taxation year or for the fiscal period that includes December 31, 2022.

The following are statutory holidays: January 1; Good Friday or Easter Monday (whichever is chosen by the employer); the Monday immediately before May 25; June 24 (or June 25 if the 24th falls on a Sunday); July 1 (or July 2 if the 1st falls on a Sunday); the first Monday of September; the second Monday of October; and December 25. Family or parental leave is leave on which an employee may be absent from work, without a pay reduction, for family or parental matters (death, marriage, birth, adoption), as provided for under sections 80, 81 and 81.1 of the *Act respecting labour standards*. Days of leave taken to fulfill family obligations correspond to the days for which an employee may, under sections 79.7 and 79.16 of the *Act respecting labour standards*, be absent from work, without reduction of wages, to fulfill obligations related to the care, health or education of the employee’s child or the child of the employee’s spouse, or because of the state of health of a relative or a person for whom the employee acts as a caregiver, as attested by a professional working in the health and social services sector and governed by the *Professional Code*. Days of leave taken for health reasons correspond to the days for which an employee may, under sections 79.1 and 79.16 of the *Act respecting labour standards*, be absent from work, without reduction of wages, owing to sickness, an organ or tissue donation for transplant, an accident, domestic violence or sexual violence of which the employee has been a victim.

The indemnities paid are those provided for in the *Act respecting labour standards* and the *National Holiday Act* or in the employment contract.

You must subtract from the amounts qualifying for the tax credit any government assistance that you or the partnership received or is entitled to receive with regard to the amounts.

However, if you or the partnership repaid government assistance attributable to amounts from a previous year, you can include the repaid amount.



Special tax

The payroll taxes for which you may claim the tax credit, other than vacation pay and the employer contributions on vacation pay, must have been **paid** by the time this form is filed. However, if the vacation pay has not been paid by the deadline for filing this form (that is, 12 months after the deadline for filing your income tax return), but you obtained the tax credit in this regard, you must pay a special tax so that we can recover the portion of the tax credit relating to the vacation pay and to the employer contributions on the vacation pay.

You must also pay a special tax for any amount refunded to you for which you received a tax credit.

Adjustments for 2022 (line 14, 18, 22, 26 or 29.1)

You must make an adjustment if, on line 13, 17, 21, 25 or 29, as applicable, you included tips or indemnities received by employees whose total remuneration (basic salary or wages, plus tips) exceeds the applicable maximum for remuneration subject to the contribution related to labour standards, pensionable earnings under the QPP, insurable earnings subject to EI premiums or insurable earnings subject to QPIP premiums.

Enter on line 14, 18, 22, 26 or 29.1 the **portion** of the tips or indemnities received by these employees **on which you did not withhold or pay contributions or premiums** because their salary or wages had already reached the applicable maximum. The maximum is:

- \$88,000 for labour standards;
- \$64,900 for the QPP;
- \$60,300 for EI;
- \$88,000 for the QPIP;
- \$88,000 for the CNESST.

Adjustment for employees under 18 in 2022 (line 19a)

You must make an adjustment if the amount on line 17 includes tips received by employees before or in the month in which they turned 18, because no QPP contributions were made in respect of these tips.

On this line, enter the portion of the tips and indemnities received by the employees in question for which no QPP contributions were made.

Abbreviations

CNESST	Commission des normes, de l'équité, de la santé et de la sécurité du travail
EI	Employment Insurance
QPIP	Québec parental insurance plan
QPP	Québec Pension Plan

