REVENU QUÉBEC

Election by a Trust to Pay in Instalments the Income Tax Resulting From a Deemed Sale Applicable to Certain Trusts

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This form must be completed by any trust that elects, under section 1031.1 of the *Taxation Act*, to pay in instalments all or a portion of the excess income tax resulting from a deemed sale applicable to certain trusts.

To make this election, the trust must meet the following conditions:

- It must pay all or a portion of the excess income tax in no more than 10 equal instalments.
- It must make the first instalment no later than 90 days after the end of the taxation year in which the sale was deemed to have been made. Subsequent instalments must be made on or before the anniversary of the payment deadline for the first instalment.
- It must provide security deemed sufficient for the instalments made after the payment deadline for the first instalment.

Interest, calculated at the prescribed rate, is added to each instalment made after the payment deadline for the first instalment and is compounded daily from that date to the date on which the instalment is actually paid.

Use the table in Part 4 to calculate in advance the amount the trust must pay (the amount of the instalment **plus** the approximate interest incurred) by each payment deadline. Additional interest is charged on late payments.

Effective February 22, 2017, a trust may elect, under certain conditions, to defer payment of Québec income tax attributable to the deemed sale of qualified shares of a qualified public corporation for a maximum period of twenty years. For more information, see the *Guide to Filing the Trust Income Tax Return* (TP-646.G-V).

This form must be filed no later than the payment deadline for the first instalment.

For further information on the security required, contact us. For the prescribed interest rate, consult our website at **revenuquebec.ca**.

Identification number

Trust account number
T – –

1 Information about the trust (please print)

Name of trust

Name of trustee (last name and first name, in the case of an individual)

Address of trustee

Postal code

Date of deemed sale

Y Y Y Y M M D D

2 Excess income tax deferred by the election

The excess income tax resulting from a deemed sale is calculated by **subtracting** the amount of income tax that the trust would pay if its taxable income were calculated without taking into account the deemed sale (line 3) from the amount of income tax payable for the year (line 1).

Therefore, you must adjust the amounts on the following lines of the *Trust Income Tax Return* (form TP-646-V) if they increased or decreased as a result of the deemed sale:

- taxable capital gains (line 53)
- amounts allocated to beneficiaries (line 81)
- non-capital losses from other years (line 91)
- net capital losses from other years (line 92)

If applicable, subtract the income from the deemed sale (line 60 of the trust return) from the trust's taxable income (line 99 of the trust return). Enter the result on line 2 below.

Calculate the income tax payable on this hypothetical taxable income and enter the result on line 3. Be sure to attach a copy of your calculations.

Income tax payable for the taxation year concerned (line 135 of the trust return)			1	
Taxable income calculated without taking into account the tax consequences of the deemed sale	2			
Income tax that would be payable by the trust if its taxable income were the amount on line 2		–	3	
Subtract line 3 from line 1. **Excess income tax payable further to the deemed sale**		=	4	0.00
Enter the amount that the trust is electing to pay in instalments (all or a portion of the amount on line 4). **Excess income tax deferred by the election**			5	

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3 Amount of each instalment

Enter the amount from line 5.		6
Enter the number of instalments (maximum 10).	÷	7
Divide line 6 by line 7. **Amount of each instalment**	=	8

4 Amount payable by each payment deadline

Instalment	Payment deadline (Y Y Y Y M M D D)	Amount of each instalment (line 8)		Interest to be added to the instalment		Amount payable by the payment deadline
1				**N/A**		
2			+		▶	
3			+		▶	
4			+		▶	
5			+		▶	
6			+		▶	
7			+		▶	
8			+		▶	
9			+		▶	
10			+		▶	

5 Election and certification

The trust elects, under section 1031.1 of the *Taxation Act*, to pay in instalments all or a portion of the excess income tax resulting from the deemed sale applicable to certain trusts, in accordance with the terms of payment set out above.

I certify that the information in this form and in any attached documents is accurate and complete.

Name of trustee or trustee's representative

Address of representative (where applicable)

Signature

Position or title

Date

Print