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PARTNERSHIPS

GUIDE TO FILING THE PARTNERSHIP INFORMATION RETURN

2021

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BY COMPLETING
THE INFORMATION RETURN
ON BEHALF OF A PARTNERSHIP,
YOU HELP ITS MEMBERS
CORRECTLY DETERMINE
THEIR INCOME.

CONTENTS

This guide contains instructions on how to file form TP-600-V, *Partnership Information Return*, and the accompanying schedules. The instructions for completing the RL-15 slip are contained in the *Guide to Filing the RL-15 Slip: Amounts Allocated to the Members of a Partnership* (RL-15.G-V).

This version of the *Guide to Filing the Partnership Information Return* pertains to fiscal periods that end **in 2021**.

The information provided in this guide does not constitute a legal interpretation of the *Taxation Act* or any other legislation. The numbers and abbreviations in italics at the end of certain paragraphs refer to sections of the *Tax Administration Act* (section numbers preceded by "TAA"), the *Taxation Act* (section numbers alone), and the *Regulation respecting the Taxation Act* (section numbers containing an "R").

For further information, contact us. Our contact information is given at the end of the guide.

Abbreviations used in this guide

ACB	Adjusted cost base
AIIP	Accelerated investment incentive property
CCA	Capital cost allowance
CCPC	Canadian-controlled private corporation
CRA	Canada Revenue Agency
FMV	Fair market value
GRE	Graduated rate estate
R&D	Scientific research and experimental development
REIT	Real estate investment trust
SIFT	Specified investment flow-through
SBD	Small business deduction
UCC	Undepreciated capital cost

PRINCIPAL CHANGES

Property in classes 43.1 and 43.2

Clean energy generation equipment and energy conservation equipment is included in class 43.1 or, under certain conditions, in class 43.2. These classes benefit from tax incentives with respect to the capital cost allowance.

Changes have been made to the types of property that can be included in classes 43.1 and 43.2 in order to encourage investment in clean technology.

In addition, as the tax incentives associated with these classes must enable the government to achieve its current environmental goals, the eligibility criteria for certain types of property in these classes have been modified.

Addition of property types

The following types of property can be included in classes 43.1 and 43.2 if certain conditions are met:

- pumped hydroelectric storage equipment;
- electricity generation equipment that uses physical barriers or dam-like structures to harness the kinetic energy of flowing water or wave or tidal energy;
- active solar heating systems, ground source heat pump systems, and geothermal energy systems that are used to heat water for a swimming pool;
- equipment used to produce solid and liquid fuels (e.g., wood pellets and renewable diesel) from specified waste material or carbon dioxide;
- a broader range of equipment used for the production of hydrogen by electrolysis of water; and
- equipment used to dispense hydrogen for use in hydrogen-powered automotive equipment and vehicles.

These changes apply to new property acquired and available for use after April 18, 2021.

Removal of property types and modifications to eligibility criteria

The following property types have been removed from classes 43.1 and 43.2:

- fossil-fuelled cogeneration systems;
- fossil-fuelled enhanced combined cycle systems;
- specified waste-fuelled electrical generation systems for which more than one quarter of the total fuel energy input is from fossil fuels;
- specified waste-fuelled heat production equipment for which more than one quarter of the total fuel energy input is from fossil fuels;
- gas generating equipment for which more than one quarter of the total fuel energy input is from fossil fuels.

In addition, a change was made to the eligibility criteria for classes 43.1 and 43.2 such that specified waste-fuelled electrical generation systems (for which one quarter or less of the total fuel energy input is from fossil fuels) are subject to a maximum heat rate threshold. Systems with an electrical output capacity of three megawatts or less will be exempt from this requirement.

The removal of certain types of property from classes 43.1 and 43.2, as well as the application of the new heat rate threshold for specified waste-fuelled electrical generation systems, will apply to property that becomes available for use after 2024.

Tax credit for university research or research carried out by a public research centre or a research consortium – Elimination of the requirement to obtain an advance ruling

If a partnership carries on a business in Canada and undertakes scientific research and experimental development (R&D) work in Québec or has such work undertaken in Québec on its behalf, the partnership's members can claim the tax credit for university research or research carried out by a public research centre or a research consortium for their taxation year in which the partnership's fiscal period ends, provided that the application is accompanied by a favourable advance ruling.

However, this rule has been amended to lighten the administrative burden associated with R&D tax credits. Thus, the requirement to obtain a favourable advance ruling has been eliminated, and changes have been made concerning the information collected to verify the eligibility requirements for this tax credit.

This measure applies as of March 26, 2021.

Temporary enhancement of the tax credit for an on-the-job training period

Members of a qualified partnership can claim, under certain conditions, the tax credit for an on-the-job training period for a taxation year in which the partnership incurred, during its fiscal period that ends in that taxation year, qualified expenditures with respect to an individual serving a qualified training period in a business carried on in Québec by the partnership.

Certain rates of the tax credit for an on-the-job training period have been enhanced for qualified expenditures incurred after March 25, 2021, but before May 1, 2022, in connection with an on-the-job training period beginning after March 25, 2021.

For this period, the base rates of the tax credit for an on-the-job training period are:

- 20% in lieu of 16% for a member who is an individual, if the trainee is a disabled person, an immigrant or an Aboriginal person, or serves the training period in a qualified region;
- 40% in lieu of 32% for a member that is a corporation, if the trainee is a disabled person, an immigrant or an Aboriginal person, or serves the training period in a qualified region;
- 15% in lieu of 12% for a member who is an individual or 30% in lieu of 24% for a member that is a corporation, for all other trainees.

Note that the increased rates of the tax credit remain the same for a trainee enrolled as a full-time student in a recognized educational institution.

For more information, see form CO-1029.8.33.6, *Crédit d'impôt pour stage en milieu de travail* (if the partner is a corporation), or form TP-1029.8.33.6-V, *Tax Credit for an On-the-Job Training Period* (if the partner is an individual).

Tax credit for investment and innovation

If a qualified partnership incurs specified expenses during a fiscal period to acquire specified property, any qualified corporation that is a member of the partnership can claim the new tax credit for investment and innovation for these expenses for its taxation year in which the partnership's fiscal period ends, provided that such expenses are incurred after March 10, 2020, but before January 1, 2025.

Temporary enhancement

In order to encourage Quebec businesses to carry out their investment projects and to accelerate Quebec's economic recovery, the tax credit for investment and innovation has been enhanced, and its rates temporarily increased from:

- 20% to 40%, if the property is acquired to be used primarily in a low economic vitality zone;
- 15% to 30%, if the property is acquired to be used primarily in an intermediate zone;
- 10% to 20%, if the property is acquired to be used primarily in a high economic vitality zone.

This temporary enhancement applies to specified expenses incurred after March 25, 2021, but before January 1, 2023, to acquire specified property during this period or to acquire specified property after March 25, 2021, but before April 1, 2023, if one of the two following conditions is met:

- The property is acquired in accordance with a written obligation entered into after March 25, 2021, but before January 1, 2023.
- The construction of this property, by the partnership or on the partnership's behalf, began after March 25, 2021, but before January 1, 2023.

Amendment of the definition of "low economic vitality zone"

Québec tax legislation has been amended to **add** the regional county municipalities (RMCs) of Maskinongé, Le Domaine-du-Roy and Papineau to the list of low economic vitality zones for the application of the tax credit for investment and innovation. This change applies to specified expenses incurred after June 30, 2021, to acquire specified property after that date, except for property:

- acquired in accordance with a written obligation entered into before July 1, 2021;
- whose construction, by the partnership or on the partnership's behalf, was already in progress on June 30, 2021.

The RMCs of Les Appalaches and La Côte-de-Gaspé, as well as the Communauté maritime des Îles-de-la-Madeleine have been **removed** from the list of low economic vitality zones for the application of the tax credit for investment and innovation. This change applies to specified expenses incurred after March 31, 2023, to acquire specified property after that date.

Tax credit to support print media companies

A qualified corporation that is a member of a qualified partnership that incurred qualified salaries or wages in respect of employees whose duties relate to the production of original written information content or to information technology activities related to the production or dissemination of such content can, under certain conditions, claim the tax credit to support print media companies. The corporation must claim the credit for its taxation year in which the partnership's fiscal period ends, based on its percentage interest in the partnership.

The definition of the term "qualified partnership" has been modified. A partnership that carries on a broadcasting undertaking within the meaning of the *Broadcasting Act* is now qualified for the purposes of the application of the tax credit to support print media companies. However, the term "qualified partnership" now excludes, among others, partnerships that hold a licence within the meaning of the Act. This change applies to all taxation years for which a qualified corporation that is a member of a qualified partnership can claim this tax credit.

For more information, refer to the instructions for code 108 of lines 440p through 440y in the *Guide de la déclaration de revenus des sociétés* (CO-17.G), which is available in French only.

Election of the period used for the calculation of employee remunerated hours – Small business deduction

A Canadian-controlled private corporation (CCPC) that is a member of a partnership can, under certain conditions, benefit from the small business deduction (SBD) with respect to its share of income derived from an eligible business in this partnership for a fiscal period ending in the CCPC's taxation year. One of these conditions is that the CCPC **must meet the eligibility requirement with respect to the number of remunerated hours of its employees**. This condition applies to a partnership that would not have been a primary or manufacturing sectors corporation (at least 25% of the activities of such corporations are in the primary or manufacturing sectors) for the fiscal period had it been a corporation.

Specifically, according to the eligibility requirement, the number of remunerated hours of the partnership's employees must exceed 5,000 for the fiscal period ending in the CCPC's taxation year in order for the CCPC to be entitled to the SBD on its share of income derived from an eligible business in the partnership.

In addition, a corporation's applicable SBD rate for a taxation year decreases linearly if the total remunerated hours is between 5,500 and 5,000. The SBD rate is equal to zero if this total does not exceed 5,000 hours.

To limit the potential impact of the temporary suspension of activities due to the COVID-19 pandemic, taxpayers can choose the period used to calculate employee remunerated hours.

Thus, for a fiscal period of a partnership that ends after June 30, 2020, and before July 1, 2021, any CCPC that is a member of a partnership in a taxable year in which the fiscal period ends **can elect**, with respect to its share of income derived from an eligible business of the partnership, to have its SBD eligibility determined in reference to the partnership's employee remunerated hours for the fiscal period of the partnership that ended immediately before the given fiscal period.

1 GENERAL INFORMATION

1.1 Partnerships

Under the *Civil Code of Québec*, a partnership is an institution by virtue of which two or more persons accept to carry on an activity together (including the operation of a business) with a view to making a profit that is shared among themselves.

If the partnership is governed by the legislation of another Canadian province, it is defined as an institution characterized by the relationship that exists between persons jointly carrying on a business with a view to making a profit.

Partnerships can be general partnerships, limited partnerships or undeclared partnerships.

A general or limited partnership constituted in Québec is required to register with the Registraire des entreprises by filing a declaration of registration as prescribed by the *Act respecting the legal publicity of enterprises*. If a partnership does not register, it is deemed to be an undeclared partnership.

Limited partnership

A partnership whose members include at least one general partner and at least one limited partner.

General partner

A partner whose personal liability for the debts and obligations of a limited partnership is unlimited, and who is responsible for effectively managing the business for which the partnership was formed.

A partnership exists only if each partner contributes corporeal or incorporeal property, credit, skills, etc., and shares in the profits, and if the intention to form a partnership exists. A partnership may exist whether or not the partners are bound by a written contract. Partners hold an interest in the partnership, but do not own the partnership's property. The existence of a partnership is determined essentially on the basis of the nature and extent of the relationship among the persons.

A partnership is not subject to income tax, and it is the members who must report their share of the partnership income or losses on their income tax returns. However, a SIFT partnership is subject to income tax on a portion of its income. For more information, see Part 2.

1.2 Filing the *Partnership Information Return* (form TP-600-V)

1.2.1 Obligation to file the information return

The following types of partnerships must file the *Partnership Information Return* (form TP-600-V) for every fiscal period:

1. any partnership that carries on a business:
   - in Québec, or
   - in Canada, outside Québec, where one of its members is an individual (including a trust) that is resident in Québec or a corporation that has an establishment in Québec;
2. any Canadian partnership or SIFT partnership (see the definition in Part 2) of which one of the members is an individual (including a trust) that is resident in Québec or a corporation that has an establishment in Québec;
3. any partnership that owns a specified immovable, where one of the members is a specified trust.

Canadian partnership

A partnership all of whose members are resident in Canada.

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Specified trust

For a given taxation year, an inter vivos trust that was not resident in Canada at any time in the year and that is not tax-exempt.

1129.77

Specified immovable

An immovable (including a right to or an option on such an immovable) located in Québec that is used mainly for the purpose of earning gross revenue that constitutes rent.

1129.77

Notwithstanding the rules stated in points 1 and 2 on the previous page, a Revenu Québec administrative policy exempts a partnership from filing an information return if it satisfies all of the following conditions:

- at the end of its fiscal period:
  - the total absolute value of its revenue and expenses was less than $2 million,
  - the value of its assets was less than $5 million;
- throughout the fiscal period:
  - it had no more than five members that were not partnerships, trusts or corporations,
  - it was not an interposed partnership (that is, it was neither itself a member of another partnership nor were any of its members partnerships),
  - no exploration or development expenses were renounced in favour of the partnership, and no amounts of assistance were allocated to the partnership (the partnership must in turn allocate these amounts and expenses to its members) because the partnership invested in flow-through shares,
  - it was not a SIFT partnership having an establishment in Québec.

If the partnership does not file an information return because of this administrative policy, section 1007.1 of the *Taxation Act* will not apply.

A SIFT partnership covered by point 2 on the previous page must file an information return **if it has an establishment in Québec**. It must enclose with the return a duly completed copy of form TP-1129.71-V, *Income Tax Payable by a SIFT Partnership*, and, where applicable, the payment of any income tax payable.

NOTE

An investment club that is not a partnership, trust or corporation must file the *Partnership Information Return* (form TP-600-V) if it elects to be considered a partnership in order to facilitate the calculation of its members' income.

1.2.2 Responsibilities of the members of a partnership

Where a partnership is required to file an information return, each member of the partnership is responsible for making sure that the information return is filed for each of the partnership's fiscal periods.

A partnership information return filed by one member is deemed to have been filed by all members. Accordingly, if a member files a return for a fiscal period, the other members are not required to file a return for that period.

Since we may determine or redetermine a partnership's income (or loss) for a particular fiscal period and since, as a rule, a designated partner is the only person authorized to file an objection, one of the members should be named the "designated partner," and clearly identified as such on the return filed for that period.

1.2.3 Obligation to file RL-15 slips

Any partnership that is required to file the *Partnership Information Return* (form TP-600-V) must also file RL-15 slips on behalf of its members in order to inform them of their share of income or losses, capital gains or losses, deductions, etc.

A partnership that carries on a business in Canada, outside Québec, and that owns a specified immovable must file RL-15 slips for **all its members** (including members who are resident outside Québec), where one of the members of the partnership is a specified trust.

359.11, 359.11.1, 1007.1, 1129.71–1129.76; 1086R70, 1086R78; TAA 93.1.1.1

1.2.4 Responsibilities of a mandatary or a representative

A mandatary or a representative who holds interests in a partnership on behalf of investors must file an information return and RL-15 slips on behalf of the investors, taking into account the information in the RL-15 slips that the mandatary or representative received from the partnership.

The mandatary or representative must complete:

- pages 1 to 3;
- section 4.4; and
- Part 3 of Schedule E (if the partnership is a tax shelter).

The information to be entered by the mandatary or representative on lines 08a through 08c of the information return must cover the RL-15 slips that the mandatary or representative is filing, not the RL-15 slips that the partnership has filed.

1086R79

1.2.5 Identification number

A partnership **must** obtain an identification number if it is required to file an information return. This number must be used every time the partnership contacts us or files documents such as:

- the *Partnership Information Return* (form TP-600-V) and its schedules;
- RL-15 slips;
- documents related to the return.

To obtain the partnership's identification number, you can:

- use the **Register a Business with Revenu Québec** online service;
- call our client services;
- complete form LM-1-V, *Application for Registration*.

> NOTE
> The name of the partnership entered on the *Partnership Information Return* (form TP-600-V) must be exactly the same as the one you gave when you registered the partnership with Revenu Québec.

TAA 58.1, TAA 58.1.1

1.2.6 Partnerships exempted from filing a partnership information return

If a partnership is not required to file the partnership information return, each individual who is a member of the partnership must complete Schedule L of the personal income tax return and enclose that schedule with his or her return. Each individual must also enclose:

- the partnership's financial statements for the fiscal period (or a copy of form TP-80-V, *Business or Professional Income and Expenses*); and
- the particulars concerning the amounts allocated.

For more information, consult the guide *Business and Professional Income* (IN-155-V).

1.3 Filing requirements

1.3.1 Filing deadline

The return and the required documents (see section 1.3.2) must be filed:

- by March 31 of the calendar year following the year in which the partnership's fiscal period ended, where, as applicable:
  - throughout the fiscal period, all members of the partnership (including end members in the case of an interposed partnership) were **individuals** (including a trust),
  - the information return is filed by an investment club;
- within five months after the end of the partnership's fiscal period, if, throughout the fiscal period, all the members of the partnership (including end members in the case of an interposed partnership) were **corporations**;
- in **all other cases**, by the earlier of:
  - March 31 of the calendar year following the year in which the partnership's fiscal period ended, and
  - the last day of the fifth month following the end of the partnership's fiscal period.

End member

An individual (including a trust) or a corporation to whom an amount from a partnership is allocated after the amount goes through interposed partnerships.

Interposed partnership

A partnership that is a member of another partnership or of which a member is a partnership.

NOTE

If the filing deadline falls on a Saturday, Sunday or holiday, the deadline is extended until the next following working day.

1086R80; TAA 36; Interpretation Act 52, 61

Partnerships that invest exclusively in flow-through shares

If the partnership allocates exploration and development expenses or amounts of assistance to its members and it has restricted its activities to investments in flow-through shares, the return must be filed before the end of the third month following the end of the fiscal period.

359.11

Public partnership – Obligation to post information online

A public partnership must provide information about the partnership in the prescribed manner and by the prescribed deadline. Such information includes the number of outstanding shares and allocations of income and distributions of capital to its members. The information must be posted on the website of CDS Innovations Inc., by the earlier of the following dates:

- 60 days after the end of the calendar year in which the public partnership's fiscal period ended;
- four months after the end of the public partnership's fiscal period.

Public partnership

A partnership, the interests in which are listed on a designated stock exchange in Canada, that either:

- carries on a business in Québec; or
- is a Canadian partnership whose members include at least one individual or trust resident in Québec or a corporation with an establishment in Québec.

1086R81.1

However, if the public partnership meets the requirements to be considered a **public investment partnership**, it must post its information on the website of CDS Innovations Inc. no later than 67 days after the end of the calendar year in which its fiscal period ended.

Public investment partnership

A public partnership of which all or substantially all of the FMV of the property it holds is related to:

- units of public trusts;
- interests in public partnerships;
- shares of the capital stock of public corporations.

1086R81.1

If you are completing the information return for a public partnership, check the box on line 23 of the return.
1086R81.2

Final return

If the partnership ceases its activities, it must file any return not yet filed by the earlier of the following dates:

- the 90th day after the date on which the partnership ceased its activities;
- the filing deadline for the return for the fiscal period in which the partnership ceased its activities.

1086R81

1.3.2 Documents to be filed

You must enclose several documents with the partnership information return, in particular:

- the applicable schedules of the return:
  - Schedule A, Partners' Interests and At-Risk Amounts,
  - Schedule B, Capital Cost Allowance (CCA),
  - Schedule D, Member Corporations' Shares of Paid-Up Capital,
  - Schedule E, Summary of Certain Information Entered on RL-15 Slips,
  - Schedule F, Net Income for Income Tax Purposes;
- any prescribed forms (which are required to be filed by law or regulation), such as:
  - form RD-222-V, *Deduction Respecting Scientific Research and Experimental Development Expenditures*,
  - form TP-1086.R.23.12-V, *Costs Incurred for Work on an Immovable*,
  - form TP-1129.71-V, *Income Tax Payable by a SIFT Partnership*;
- any forms supporting the information you must enter in Part 2 of Schedule E (see section 4.4.2);
- any RL-11 slips that the partnership received from a development corporation for flow-through shares;
- any RL slip or information slip that the partnership received that must be enclosed with the return;
- the RL-15 slips filed by the partnership (unless they have already been filed online);
- the partnership's financial statements or a duly completed copy of form TP-80-V, *Business or Professional Income and Expenses*;
- any official receipts for charitable donations and any forms required for other gifts, such as form TPF-712.0.1-V, *Certificate of Disposition of Cultural Property*, which is issued by the Conseil du patrimoine culturel du Québec.

NOTE

Make sure that you always use the version of the RL-15 slip corresponding to the version of the *Partnership Information Return* (form TP-600-V) that is in effect for the taxation year concerned.

Always consult the version of the *Guide to Filing the Partnership Information Return* (TP-600.G-V) and of the *Guide to Filing the RL-15 Slip: Amounts Allocated to the Members of a Partnership* (RL-15.G-V) applicable to the fiscal period concerned. The various versions of the guides are available on our website at revenuquebec.ca.

1.3.3 Penalties

Penalty for late filing or for failure to file the return

If the partnership files the return late or fails to file the return, it is liable to a penalty. The penalty is $25 for each day the return is late, up to a maximum of $2,500.

TAA 59 (1st and 2nd par.)

Penalty for failure to provide information

Members of the partnership are liable to a penalty of $100 if they fail to provide information requested in the return and in the accompanying documents. This applies to all information requested.

TAA 59.0.2

Penalty for failure to provide certain documents

If certain elections have been made under federal legislation and the members of the partnership fail to send us, by the prescribed deadline, a copy of any document filed with the Canada Revenue Agency (CRA), the members are liable to a penalty. The penalty is $25 for each day a document is late, up to a maximum of $2,500.

21.4.7

1.3.4 Filing methods

Using software to complete the return

To complete a computer-generated copy of the return, you must get software from a software developer authorized by Revenu Québec. Consult the guide *Information for Software Users* (IN-415.A-V), which is intended for partnerships, registered charities and other donees. Note that you cannot file the information return online.

Where to send the documents

The return and accompanying documents must be sent to the address below that is nearest to the partnership's principal establishment in Québec.

Revenu Québec
3800, rue de Marly
Québec (Québec) G1X 4A5

Revenu Québec
C. P. 3000, succursale Place-Desjardins
Montréal (Québec) H5B 1A4

If the partnership does not have an establishment in Québec, these documents can be submitted to either address.

Filing RL-15 slips

For information on how to file RL-15 slips, refer to the *Guide to Filing the RL-15 Slip: Amounts Allocated to the Members of a Partnership* (RL-15.G-V).

1.4 Allocation of amounts among partners

Partnerships that are required to file an information return must also file RL-15 slips for its members (also called "partners"). Members use the information from the RL-15 slips to report, in their income tax return (or information return), the portion of the partnership's income or losses allocated to them.

As a rule, income, gains, losses, deductions, credits and other amounts are allocated among the partners in accordance with the terms of the partnership agreement.

However, the allocation of certain amounts must be determined on the basis of the percentage interest (also called "agreed proportion"), which is defined as the share of a partner in the partnership income (or losses) for the fiscal period. If the partnership income and loss for the fiscal period are both nil, the calculation of the percentage interest used for the allocation must be made as if the partnership had an income of $1 million for the fiscal period.

The percentage interest must be entered in box 36 of the RL-15 slip. If an amount that gives entitlement to a tax credit must be allocated, the percentage interest used for the allocation must be entered in box 74. This percentage may be smaller than the percentage in box 36 if the partnership is an interposed partnership (see the definition in section 1.3.1).

The amounts to be allocated among members based on their percentage interest are:

- the adjusted cost of a qualifying security within the meaning of the Cooperative Investment Plan (CIP) so that a member that is an individual can claim a deduction for strategic investments;
- the paid-up capital of a member corporation;
- the net income from logging operations used to calculate the logging tax (1/3 of this tax can be deducted from the income tax payable);
- amounts that may entitle members to tax credits, such as:
  - the various R&D tax credits for salaries and wages, for university research or research carried out by a public research centre or a research consortium, for fees and dues paid to a research consortium and for private partnership pre-competitive research,
  - the tax credit relating to resources,
  - the tax credit for investment,
  - the tax credit for investment and innovation,
  - the tax credit for an on-the-job training period,
  - the tax credit for the reporting of tips,
  - the tax credit for taxi owners,
  - the tax credit for the training of workers employed in small and medium-sized businesses,
  - the tax credit for small and medium-sized businesses to foster the retention of experienced workers,
  - the tax credit for small and medium-sized businesses that employ persons with a severely limited capacity for employment;
- the special income taxes relating to the above-mentioned credits;
- dividends from cooperatives received in the form of preferred shares and distributed to members during a fiscal period.

The allocation of amounts among the partners may require other adjustments, based on whether or not the partners are specified members, on the type of income or loss, on the type of tax credit, etc.

603.1, 726.33, 726.34, 965.37.1, 1029.6.0.1.8.3, 1129.0.0.4.1, 1136 (par. 3), 1179

1.5 Registers and supporting documents

Unless otherwise indicated in this guide, a partnership is not required to enclose supporting documents with the return. The partnership is required, however, to keep supporting documents and the related registers, in case of an audit.

Registers and supporting documents include the following (regardless of the storage medium):

- invoices, receipts and other documents substantiating the information that is or should be entered in a register;
- any document that is used to collect and compare data for accounting, financial, fiscal or legal purposes, such as a general journal and special journals (cash journal, sales journal, cash disbursements journal, purchase journal, etc.), as well as an inventory of property, kept in the prescribed manner.

These registers and supporting documents must be kept for **six years** after the end of the last fiscal period to which they apply or after the date on which the return for the fiscal period is submitted, if the return is submitted late. In addition, registers and supporting documents in an electronic or digital format must be kept readable for the retention period. You must take the necessary steps to ensure and maintain their integrity throughout their lifecycle.
TAA 1.0.1, TAA 34 ff.

2 CONTEXTUAL INFORMATION

2.1 Limited partners

Certain rules apply to a partnership that sustains a loss where one of its members is a limited partner.

Limited partner

The term "limited partner" generally refers to a member of a partnership, at a given time, whose interest in the partnership is not exempt from income tax and whose liability is limited by a law governing the partnership agreement. More specifically, a limited partner is a member whose liability for the debts and obligations of the partnership does not exceed the amount of capital the partner contributed. A limited partner does not ordinarily take part in the activities of the partnership.

613.6

The term "exempt interest in a partnership" means a member's interest in a partnership that carried on business on a regular and continuous basis before February 26, 1986, or earned income from the rental or leasing of property before that date, provided the partnership pursued one of these activities after February 25, 1986, and, since that date, there has not been a substantial contribution of capital to the partnership or a substantial increase in the indebtedness of the partnership.

613.7

NOTE

Professional members of a limited liability partnership (LLP) are not considered limited partners under the *Taxation Act*, because they are not personally liable for the obligations of the partnership, or for the obligations of another professional arising from any faults or negligent acts committed by that professional in the course of professional activities carried out within the partnership.

613.6

A limited partner's share of all of the partnership's losses, whether from a business (other than a farming business) or from property, is deductible up to an allowable amount. The allowable amount is equal to the **partner's at-risk amount** at the end of the partnership's fiscal period or, if applicable, to the portion of the at-risk amount that exceeds the partner's share of:

- the federal investment tax credit;
- the partnership's losses from a farming business for the fiscal period;
- the Canadian and foreign resource expenses incurred by the partnership during the fiscal period (boxes 28 through 31 of its RL-15 slip).

You must take this rule into account when determining the losses to be entered on the limited partner's RL-15 slip. The total amount of these losses must not exceed the allowable amount mentioned above.

If the partnership incurred scientific research and experimental development (R&D) expenditures that created or increased the business loss, the partnership must not allocate a share of this loss (or of the increase in this loss) to the partner.

NOTE

A partnership's losses from a farming business are not limited by the at-risk amount rules and must be included in the amount of the income (or loss) allocated to the partner.

613.1

Limited partnership loss

The term "limited partnership loss" means the portion of a limited partner's share of the partnership's loss from a business (other than a farming business), property loss or issue expenses related to Québec resources (boxes 1, 3 and 65 of the RL-15 slip) that **cannot** be deducted because of the partner's at-risk amount.

The amount of this loss can, however, be deducted from the partner's taxable income for a subsequent year (hereinafter "given year"), up to the amount by which the partner's at-risk amount at the end of the partnership's fiscal period ending in the particular year **exceeds** the aggregate of the following amounts:

- the partner's share of the federal investment tax credit for the given year;
- the partner's share of the partnership's business losses or property losses for the partnership's fiscal period ending in the given year; and
- the partner's share of the Canadian and foreign exploration or development expenses incurred by the partnership for the fiscal period ending in the given year.

613.1, 726.4.17.11 (3rd par.), 733.0.0.1

At-risk amount

The at-risk amount of a limited partner's interest in a partnership at a specific moment corresponds to the amount by which the aggregate of:

- the adjusted cost base (ACB) of the partner's interest in the partnership at that moment (see the first point of the note below);
- the partner's share of any partnership income derived from any source for the fiscal period that ended, where applicable, at that moment; and
- the partner's share in each of the amounts covered by subparagraph (viii) of paragraph (i) of section 255 of the *Taxation Act* which must be subtracted from the cumulative Canadian exploration expenses, Canadian development expenses or Canadian oil and gas property expenses that the partnership allocates to the member for the fiscal period;

exceeds the aggregate of:

- the total of the amounts owed at that moment by the partner (or by a person or partnership not dealing at arm's length with the partner) to the partnership (or to a person or partnership not dealing at arm's length with the partnership). However, this total does not include such amounts as the unpaid principal amount of any limited-recourse indebtedness used to acquire the interest or any limited-recourse amount pertaining to the interest that is to be deducted in the calculation of the ACB or the cost of the partner's interest in the partnership; and
- the amount or benefit, as applicable, that the partner (or a person not dealing at arm's length with the partner) is entitled to receive, either immediately or in the future and either absolutely or contingently, whether by way of reimbursement, compensation, revenue guarantee, proceeds of disposition, loan or any other form of indebtedness, or in any other form. This amount or benefit is granted or is to be granted for the purpose of eliminating or reducing the impact of a loss that the partner may sustain because the partner holds or disposes of an interest in the partnership, unless the amount or benefit is an amount of assistance that is to be deducted from Canadian exploration or development expenses or Canadian oil and gas property expenses, or if entitlement to receive the amount or benefit results from certain excluded obligations or insurance contracts.

Complete Schedule A to provide the information required for the calculation of the at-risk amount of the partners. See the instructions for completing this schedule in section 4.1 of this guide.

NOTE

- For the purposes of calculating the at-risk amount, where the interest held by a limited partner was acquired from a third party, rather than directly from the partnership, the ACB of the interest must be determined as if its cost were equal to the **lesser** of the following amounts:
  – the cost otherwise determined;
  – the ACB of the interest for the transferor, immediately before the transaction, or zero, whichever is greater.
- If, for the fiscal period, the partnership sustained a business or property loss, or incurred resource expenses (Canadian exploration or development expenses, Canadian oil and gas property expenses and foreign resource expenses), or share and security issue expenses for flow-through shares, it is important to calculate the at-risk amount before determining the amounts to enter in the following boxes of the RL-15 slip: box 1, net Canadian and foreign business income (or loss); box 3, net Canadian and foreign rental income (or loss); box 27, limited partnership loss; boxes 28 through 31, Canadian and foreign resource expenses; and boxes 60, 61 and 65, Canadian exploration or development expenses and share and security issue expenses.

613.2, 613.3, 613.5, 418.37, 726.4.17.11 (3rd par.)

To calculate the ACB of a partner's interest in the partnership, see section 2.2.

2.2 Adjusted cost base of an interest

Adjusted cost base (ACB) is a fiscal concept used to determine the capital gain or loss resulting from the disposition of property, in this case an interest in a partnership.

To calculate the ACB of a partner's interest in a partnership at a specific moment, you must adjust the original cost of this interest. If the interest constitutes a tax shelter investment, see the instructions for boxes 53 through 55 in section 4.4.3 to find out whether you should take into account certain reductions.

You must first **add** to the original cost of the partner's interest (or to the original cost less certain reductions, such as in the case of a tax shelter investment) the following amounts, among others:

- in most cases, the partner's share of the partnership's income and capital gains (see the first point in the note below) from all sources, for each fiscal period that ended before the moment in question, from the time the partner acquired the interest in the partnership;
- the partner's share of the capital dividends or life insurance capital dividends received by the partnership, from the time the partner acquired the interest in the partnership while he or she owned it;
- the partner's share of the amount by which any life insurance proceeds received by the partnership exceed the ACB of a policyholder's interest in the policy, from the time the partner acquired the interest in the partnership (exceptions apply);
- the partner's additional capital contributions to the partnership, from the time the partner acquired the interest in the partnership, unless it is a benefit given to another member of the partnership with which he or she is associated;
- where the partner has been a limited partner or a specified member since becoming a member of the partnership, any amount that, before the moment in question, is deemed to be a capital gain because the ACB of the interest is negative (see "Limited partners and specified members" below);
- where, were it not for certain legislative provisions, the partnership would be considered to no longer exist or the partner would no longer be considered a member of the partnership, any amount that, before the moment in question, is deemed to be a capital gain because the ACB of the partner's residual interest, determined at the end of the partnership's fiscal period, is negative.

You must then **deduct** the following amounts, among others, from the result:

- the partner's share of the partnership's losses, including capital losses (see the second point in the note below) from all sources (except any portion of such losses that constitutes a limited partnership loss), resource expenses (Canadian exploration or development expenses, Canadian oil and gas property expenses, foreign resource expenses and share or security issue expenses), and eligible amounts of donations and gifts made by the partnership, for each fiscal period that ended before the moment in question, from the time the partner acquired the interest in the partnership;
- the partner's limited partnership loss for each fiscal period that ended before the moment in question, provided the loss was deducted for a taxation year;
- the amount that the partner elects to consider a capital loss for the taxation year, for an amount deemed a capital gain because the ACB of the interest is negative (see "Limited partners and specified members" below);
- the partner's drawings, from the time the partner acquired the interest until the moment in question;
- where the partner is a limited partner or has been a specified member since becoming a member of the partnership, the unpaid principal amount of any indebtedness of the partner (for which recourse is limited, either immediately or in the future and either absolutely or contingently) that can reasonably be considered to have been used by the partner to acquire the interest in the partnership. If the interest is a tax shelter investment, do not take the unpaid principal amount into account in calculating the ACB, as the amount must be used to reduce the cost of the interest.

NOTE

- The amount of capital gains to be added to the initial cost of an interest corresponds to the actual amount of capital gains and any tax-exempt capital gain further to a gift of certain property.
- The amount of capital losses to be deducted from the initial cost of an interest corresponds to the actual amount of capital losses.

Complete Schedule A to provide the information pertaining to the adjustment of the ACB of the partners' interests during the fiscal period. See the instructions for completing this schedule in section 4.1.

Limited partners and specified members

Limited partners and partners who have been specified members since becoming members of a partnership may have to report the ACB of their interest in the partnership as a capital gain if the ACB is negative at the end of the partnership's fiscal period (in this case, the ACB of the partner's interest immediately after the end of the fiscal period is nil).

Specified member

A member of a partnership that, in the fiscal period of the partnership, is:

- a limited partner at any time in the fiscal period; or
- a silent partner, namely:
  - a member that is not actively engaged in the activities of the partnership, with the exception of activities related to the financing of the partnership, or
  - a member that does not carry on (otherwise than as a member of another partnership) a business similar to that carried on by the partnership, on a regular, continuous and substantial basis, at any time during that part of the fiscal period during which the business of the partnership is ordinarily carried on and the member is a member of the partnership.

The term "limited partner" is defined in section 2.1.

1

Where the partner in question is a corporation, an individual (other than a trust) or an inter vivos trust and the ACB of the partner's interest is positive at the end of a fiscal period of the partnership, the partner can **elect** to be deemed to have sustained, at that time, a capital loss (the ACB of the partner's interest is thereby reduced by an amount equal to the amount of the capital loss).

For the purposes of Québec legislation, no such election can be made unless it is made under federal legislation with the CRA, in which case it is automatically deemed to be made. If this election is made with the CRA, the partner must send us proof that the election was made.

The capital loss subject to the election made for Québec income tax purposes is equal to one of the following amounts, **whichever is less**:

- the amount by which any capital gain resulting from a negative ACB exceeds any capital loss resulting from a positive ACB already deducted;
- the ACB of the partner's interest at that time; or
- the amount of the capital loss subject to the election with the CRA plus, if the amount is the maximum amount that the partner could enter, the amount entered on the partner's Québec income tax return.

255(i), 257(l), 261.1, 261.2, 613.5, 618, 642

2.3 Specified investment flow-through partnership

A partnership is a specified investment flow-through partnership (SIFT partnership) for a given taxation year if it meets the following conditions:

- It is resident in Canada.
- The investments in the partnership are listed or traded on a stock exchange or other public market.
- It holds non-portfolio property.

The partnership cannot be an excluded subsidiary entity in the given taxation year.

A Canadian resident partnership is a partnership all of the members of which are resident in Canada, a partnership formed under the laws of a province, or, in the case of a partnership that has its central management and control in Canada, a partnership that would be considered resident in Canada if it were a corporation.

Specified investment flow-through entity (SIFT entity)

A SIFT entity can be either a SIFT trust or a SIFT partnership.

Excluded subsidiary entity

For a given taxation year, an entity the equity (shares of its capital stock, where the entity is a corporation; income or capital interests, where the entity is a trust; or interests held by its members, where the entity is a partnership) or equity-like liabilities of which:

- are not listed or traded on a stock exchange or other public market at any time during the year;
- are held exclusively by:
  - a real estate investment trust (REIT),
  - a taxable Canadian corporation,
  - a SIFT trust,
  - a SIFT partnership,
  - a person or partnership that, with respect to the holding of a security of the entity, does not own any property whose value is based on a security listed on a stock exchange or traded on another public market, or
  - any other excluded subsidiary entity for the taxation year.

1129.70

Obligation to pay income tax and allocate amounts as eligible dividends

If a SIFT partnership has an establishment in Québec and its securities are publicly traded, that partnership must:

- pay income tax on its taxable non-portfolio earnings at the same tax rate as corporations;
- allocate to members their share of the residual amount of taxable non-portfolio earnings (that is, the amount remaining after the federal and provincial income tax payable is deducted from such earnings) as eligible dividends.

If the partnership has an establishment in Québec and an establishment elsewhere in Canada, it must calculate the income tax on its taxable non-portfolio earnings based on the percentage of business carried on in Québec. See the instructions for box 42 in the *Guide to Filing the RL-15 Slip: Amounts Allocated to the Members of a Partnership* (RL-15.G-V).

Taxable non-portfolio earnings

For a SIFT partnership, the **lesser** of the following amounts:

- the amount that, under certain conditions, would be the partnership's net income. That amount corresponds to the total of its business or property income (or losses) from all sources and its net taxable capital gains, **minus** the deductions that can be claimed when calculating that income or those losses;
- the amount of its non-portfolio earnings.

1129.70

Non-portfolio earnings

For a SIFT partnership, the total of the following amounts:

- the amount by which the partnership's income exceeds its losses from a business it carries on in Canada or from non-portfolio property (other than taxable dividends);
- the amount by which its taxable capital gains exceed its allowable capital losses from the disposition of nonportfolio property.

"Non-portfolio property" means property held by a SIFT partnership that consists of:

- securities issued by a subject entity (other than a portfolio investment entity) if, as applicable:
  - the FMV of the securities is greater than 10% of the equity value of the subject entity, or
  - the total FMV of the subject entity's securities, together with all of the securities held by the partnership that are issued by entities affiliated with the subject entity, is greater than 50% of the partnership's equity value;
- Canadian immovable or resource property, if the property's FMV is greater than 50% of the partnership's equity value; or
- property that the partnership, or a person or partnership with whom the partnership is not dealing at arm's length, uses in the course of carrying on a business in Canada.

"Subject entity" means a corporation or a trust resident in Canada, a Canadian resident partnership, or a person or partnership that is not resident in Canada but whose principal source of income is one or more sources in Canada.

"Portfolio investment entity" means an entity that does not hold any non-portfolio property.

1129.70

The partnership must complete form TP-1129.71-V, *Income Tax Payable by a SIFT Partnership*, if income tax is payable. It must enclose form TP-1129.71-V and its income tax payment with the partnership information return.

603.1, 1129.71

If the return is not filed on time, the SIFT partnership is liable to a **penalty** equal to 5% of the income tax unpaid by the filing deadline and an additional 1% of that unpaid income tax for each complete month (up to 12 months) that the return is late.

1129.71-1129.76

NOTE

If the partnership realized net taxable capital gains or earned business or property income (or sustained a business or property loss) from a source located in a specific place, and if that income (or loss) or those net taxable capital gains included non-portfolio earnings, the partnership must:

- subtract from that income (or loss) or those net taxable capital gains the portion of the taxable non-portfolio earnings attributable to that income (or loss) or those net taxable capital gains;
- allocate to its members their share of the result of that calculation, whether it is business or property income (or a loss) or a taxable capital gain (or an allowable capital loss). In the latter case, the result must be multiplied by 2 to obtain the capital gain (or capital loss) that must be reported on the RL-15 slip.

Income tax instalments

A SIFT partnership is required to make monthly instalment payments by the last day of each month if the estimated income tax payable for the fiscal period concerned and the income tax payable for the previous fiscal period exceeds $3,000 in each case.

1129.75

Loss trading during the conversion of a SIFT partnership into a corporation

If, during the conversion of a SIFT partnership into a corporation, several members dispose of their interest in the partnership in exchange for shares of the corporation's capital stock, control of that corporation and of each corporation controlled by it immediately before the exchange is deemed to have been acquired by a person or group of persons at the time of the exchange. This presumption restricts the trading of the corporation's losses following the conversion.

Restrictions applicable to a SIFT partnership with respect to stapled securities

In calculating its income, a SIFT partnership cannot claim a deduction for an amount paid or payable, as applicable:

- as interest on a debt or obligation that is a stapled security of the partnership, unless each reference security of the stapled security is also a debt or an obligation;
- to a REIT (or one of its subsidiaries) or to a person or partnership that pays an amount (or has an amount paid) to a REIT (or one of its subsidiaries), if a security of the partnership (or of one of its subsidiaries or of an entity of which it is a subsidiary) is a reference security of a stapled security issued by the REIT (or one of its subsidiaries).

Stapled securities

A combination of two or more securities to which the following conditions apply:

- The securities cannot be transferred independently of each other, as each security is a reference for the other securities.
- At least one of the securities is listed or traded on a stock exchange or other public market.
- The securities are issued by, as applicable:
  - a single entity that is a corporation, a SIFT partnership or a SIFT trust;
  - separate entities of which one is a subsidiary of the other and of which one or the other is a corporation, a SIFT partnership or a SIFT trust;
  - separate entities of which one is a REIT (or a subsidiary of an REIT).

NOTE

If a security of the partnership ceased to be a stapled security and then became a stapled security once again and the partnership claimed the above-mentioned deduction in the period where the security was not a stapled security (referred to as the "period of unstapling"), the partnership must include in its income an amount equal to the amount of the deduction claimed.

2.4 Mandatory or preventive disclosure

The following transactions are subject to mandatory disclosure:

- confidential transactions, transactions involving conditional remuneration and transactions involving contractual coverage where any of those transactions result (either directly or indirectly) in a tax benefit of $25,000 or more for each member of the partnership or have an impact of $100,000 or more on the partnership's income;
- specified transactions.

Each member of a partnership (or, for a limited partnership, each general partner) that carries out such a transaction **must** disclose the transaction (see the note below).

Advisers and promoters must disclose any specified transactions they commercialize or promote whose form and substance has not required a significant change when implemented for different taxpayers or partnerships. If the advisor or promotor is a partnership, one of the partners **must** disclose this information (see the note below).

If a partnership is party to a nominee agreement that was entered into after May 17, 2019 (or before that date where the consequences of the transaction referred to in the agreement continue after May 16, 2019), each member of the partnership must file a **mandatory** disclosure for the agreement (see the note below).

Members of a partnership **can** also make a **preventive** disclosure for any transaction that a partnership of which they are a member has carried out.

> NOTE
> A mandatory or preventive disclosure made by one member of a partnership, whether it is a limited partnership or another partnership, is deemed to have been made by each member of the partnership.

For more information, refer to:

- form TP-1079.DI-V, *Mandatory or Preventive Disclosure of Tax Planning*;
- form TP-1079.CP-V, *Mandatory Disclosure of Tax Planning by an Adviser or Promoter*;
- form TP-1079.PN-V, *Disclosure of a Nominee Agreement*.

1079.8.1 ff.

2.5 Designated member of a partnership for the application of the small business deduction

A Canadian-controlled private corporation (CCPC) may, under certain conditions, benefit from a tax rate reduction, referred to as the "small business deduction" (SBD), which applies to the first portion of $500,000 of income derived from an eligible business carried on in Canada in a given taxation year. This first portion of annual income is referred to as the "business limit."

To determine the total eligible income for the SBD for a taxation year (subject to the business limit), a corporation that is a member of a partnership must add the specified partnership income to its income derived from a business carried on in Canada other than as a member of a partnership.

The specified partnership income is equal to the corporation's share of the income (or loss) from a qualified business carried on in Canada by the partnership of which it is a member, and cannot exceed its share of the $500,000 business limit applicable to the partnership.

A corporation that supplies property or services to a partnership may be considered a designated member of the partnership if it is not already a member. In this case, its income from such property and services is deemed to be derived from an eligible business carried on in Canada by the partnership.

Designated member of a partnership

A corporation is a designated member of a partnership in a taxation year if it is a CCPC that supplies (directly or indirectly, in any manner whatsoever) property or services to the partnership at any time in its taxation year, and if:

- the corporation is not a member of the partnership at any time during its taxation year; and
- one of its shareholders holds a direct or indirect interest in the partnership, at any time in the year.

A corporation that does not meet the second condition can still be a designated member of the partnership if:

- it does not deal at arm's length with a person that holds a direct or indirect interest in the partnership; and
- 90% or more of its income from an eligible business is not derived from supplying property or services to persons or partnerships with which it deals at arm's length. The latter do not include:
  - the partnership in question,
  - any partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.

If the corporation is a designated member of the partnership in the taxation year, it must calculate its specified partnership income for the taxation year, which includes income from property or services supplied, directly or indirectly, to the partnership of which it is a designated member. However, it is not entitled to its portion of the business limit attributable to the partnership, since it is not actually a member. Consequently, its income from property and services supplied to the partnership is not eligible for the SBD.

However, a person (individual, corporation, partnership or trust) that is a member of the partnership can assign to the corporation that is a designated member of the partnership all or a portion of its specified partnership business limit. Thus, the corporation can benefit from the assigned business limit up to the amount of income derived from property or services supplied to the partnership of which it is a designated member. To do so, the member of the partnership and the corporation that is a designated member of the partnership must enclose form CO-771.2.1.AT, *Plafond des affaires attribué à une société qui est un membre désigné d'une société de personnes,* with their respective income tax returns.

To calculate the specified partnership income and the income derived from an eligible business carried on in Canada of a corporation that is a designated member of the partnership, complete form CO-771.2.1.2, *Revenus d'une société provenant d'une entreprise admissible qu'elle exploite au Canada (société qui est un membre ou un membre désigné d'une société de personnes)*.
771.1

3 INSTRUCTIONS FOR COMPLETING THE *PARTNERSHIP INFORMATION RETURN* (FORM TP-600-V)

3.1 Identification of the partnership

01 Amended return

Check the box only if you are filing an amended return.

01.1 Mandatary or representative

Check the box if the return is being filed by a mandatary or a representative that holds interests in the partnership on behalf of investors (see section 1.2.4).

01a Québec enterprise number (NEQ)

Enter the Québec enterprise number (NEQ) that was assigned to the partnership by the Registraire des entreprises.

01b Identification and file numbers

Enter the identification number that we assigned to the partnership, followed by the file number. If the partnership does not yet have an identification number, see section 1.2.5.

01c Tax shelter identification number

If an interest in the partnership constitutes a tax shelter, enter the identification number that we assigned to the partnership for the tax shelter.

02 to 03a Name and address of partnership

Enter the name of the partnership and the address of its principal establishment. If the partnership already has an identification number, enter the name exactly as it is shown on form LM-1-V, *Application for Registration*.

Use a province or territory code listed in Part 5 of this guide.

3.2 Information about the partnership

05 to 05d Limited partnership

If the partnership is a limited partnership (see the definition in section 1.1), check box 05 and enter the name and address of the principal general partner on lines 05a to 05c. If the principal general partner is a corporation, enter its identification number on line 05d.

Use a province or territory code listed in Part 5 of this guide.

06a and 06b Fiscal period

Enter the start date and end date of the fiscal period covered by the return.

The dates must be the same as the ones established for the purposes of federal legislation. The dates must therefore be the same as the ones entered on the *Partnership Financial Return* (form T5013-FIN) filed with the CRA. Enter the end date of the fiscal period on line 06b of each schedule that you must enclose with the partnership information return.

Under federal legislation, **the fiscal period of most partnerships must coincide with the calendar year**. However, a partnership to which **this obligation** applies can elect to have its fiscal period end on a date other than December 31.

7 (3rd par.)

Election made under federal legislation concerning the fiscal period

No election to have the fiscal period end on a date other than December 31 can be made for Québec income tax purposes unless it is made under federal legislation, in which case it is automatically deemed to be made. Likewise, unless a request for revocation of an election is made with the CRA, no such revocation is possible for Québec income tax purposes.

Elections that can be made under federal legislation concerning the fiscal period include:

- a multi-tier fiscal alignment election made by an interposed partnership (such an election is no longer possible);
- an election made using federal form T1139, *Reconciliation of Business Income for Tax Purposes*, concerning the fiscal period of a partnership that is not a member of another partnership **and all of whose members** are individuals.

The member who was authorized to make an election using federal form T1139 on behalf of all the members must send us a copy of form T1139 no later than:

- 30 days after making the election;
- the filing deadline for his or her income tax return; or
- the earliest of the filing deadlines that apply to all the members where one of the members (see the note below) of the partnership is a GRE (see the definition below).

A member who does not submit a copy of the form is liable to a penalty for failure to provide certain documents. For more information, see section 1.3.3.

If an election is made, each member must complete form TP-80.1-V, *Calculation of Business or Professional Income, Adjusted to December 31*, each year to calculate his or her net income (or net loss) adjusted to December 31, until the election is revoked. Each member must enclose the form with his or her income tax return.

If the partnership decides to revoke the election it made to have its fiscal period end on December 31, the partnership must, for the first taxation year of the members to which the revocation applies, provide financial statements for two fiscal periods: the first period must end on the date specified in the election, and the second on December 31.

The member of the partnership who is authorized to make the request for revocation **must send us a copy of form T1139** no later than the filing deadline for his or her income tax return or, if one of the members of the partnership is a GRE (see the definition below), by the earliest of the filing deadlines that apply to the members (see the note below).

If the election is revoked, each member of the partnership must complete form TP-80.1-V and enclose it with his or her income tax return.

Graduated rate estate (GRE)

A GRE is a succession that, at a given time, meets the following conditions:

- It arose on and as a consequence of an individual's death.
- The given time is no more than 36 months after the death.
- It is a testamentary trust at the given time.
- It designates itself as a GRE for its first taxation year ending after 2015, and no other succession designates itself as such.
- It enters the individual's social insurance number on its income tax return for each taxation year that ends after 2015 and during the 36 months after the individual's death.

NOTE

The return(s) in question (the income tax return of the authorized partner or the income tax returns of all of the members of the partnership, as applicable) are those for the taxation year that includes the first day of the partnership's first fiscal period (the first fiscal period following the election concerning the end date of its fiscal period or following the revocation of that election).

7.0.3, 7.0.4, 7.0.5, 217.2, 646.0.1

New partner

If the partnership did not revoke the election it made concerning the end date of its fiscal period, an individual who became a member of the partnership after the beginning of the partnership's fiscal period but before the end of the calendar year must include in his or her income, for the calendar year, a portion of the income derived from a business of the partnership for the fiscal period in question. To do so, the individual must complete form TP-80.1-V, *Calculation of Business or Professional Income, Adjusted to December 31*.

217.3

Joint venture

The CRA does not permit taxpayers who are participating in a joint venture to calculate their income as if the venture had a separate fiscal period. This measure is also applied by Revenu Québec since the fiscal period determined for Québec income tax purposes corresponds to the fiscal period determined for federal income tax purposes.

Consequently, if the partnership participates in a joint venture, it must calculate its share of the income (or losses) from the joint venture on the basis of its own fiscal period.

Dissolved partnership

If the partnership ceased its activities during the fiscal period, write "Final Return" on the financial statements for the period or on a duly completed copy of form TP-80-V, *Business or Professional Income and Expenses*.

The fiscal period of a partnership is deemed to end immediately before the dissolution of the partnership. However, a partner who is an individual can, for the purpose of calculating his or her income, **elect** under federal legislation to consider that the fiscal period of the partnership ended immediately before the moment it would normally have ended, if the partnership had continued to exist. No such election can be made for Québec income tax purposes unless it is made under federal legislation, in which case it is automatically deemed to be made. A member must provide us with proof that such an election was made with the CRA. A member who fails to send us proof is liable to a penalty for failure to provide certain documents. For more information, see section 1.3.3.

This election has no effect on the partnership's return. Further to the dissolution of the partnership, you must file any return that the partnership failed to file for a previous year.

601

09 to 09g Principal activity

Check the box that best describes the partnership's principal activity. If you check box 09g, briefly describe the activity in the space provided.

10 Province, territory or country, if the principal activity is carried on outside Québec

Enter the code for the province, territory or country in which the partnership carries on its principal activity, if it is carried on outside Québec. This information tells the partners whether they must determine the portion of their income that was earned in Québec, for the purpose of calculating their income tax payable.

Use a province, territory or country code listed in Part 5 of this guide.

If the partnership's income or losses result from activities carried on in more than one province or territory, or in a country other than Canada, prepare a table that breaks down the income or losses among the provinces, territories and countries concerned. Enclose a copy of the table with the return and with each partner's RL-15 slip.

11a to 23

Check the applicable boxes and provide the information requested.

Check box 22 only if the partnership received or disposed of virtual currency.

The use of virtual currency as a method of payment or medium of exchange is considered a barter transaction.

There may be tax consequences if the partnership, among other things:
- accepts virtual currency as a form of payment;
- uses such currency to acquire goods or services;
- converts virtual currency to monetary currency;
- exchanges one virtual currency for another;
- sells or makes a gift of virtual currency.

Similarly, there may be tax consequences if the partnership mines cryptocurrency.

To report income derived from the use of virtual currency or the mining of cryptocurrency, you must determine whether the income is considered to be a capital gain (or loss) or business or property income (or loss). To do so, refer to the guides *Capital Gains and Losses* (IN-120-V) and *Business and Professional Income* (IN-155-V).

Barter
Exchange of goods or services for other goods or services, without the use of money.

Blockchain
Secure, distributed database that stores transactions between users, from the date of its creation, in a chronologically ordered sequence of blocks that are linked together.

Cryptocurrency
Virtual currency used as a peer-to-peer method of payment or medium of exchange, usually independently of the banking system and any monetary policy, whose issuance and transactions are based on blockchain technology.

Mining
Operation, based on a consensus mechanism, that enables blocks to be added to a cryptocurrency network in exchange for a block reward.

Virtual currency

Digital currency that can be used to buy goods or services or for speculation, whose legal value is not typically guaranteed by the government.

For box 23, see the instructions under "Public partnership – Obligation to post information online" in section 1.3.1.

24 to 27

For the purposes of the filing deadline given in section 1.3.1, you must check only one of the following boxes on the return:

- box 24a, if all the members of the partnership are individuals (including trusts);
- box 24b, if all the members are corporations or partnerships whose members are corporations.

On line 25, enter the code corresponding to the functional currency (USD, EUR, GBP or AUD) chosen. See the information under "Filing a return using a functional currency" in section 3.3.2.

Finally, enter the partnership's:

- total revenue on line 26a;
- total expenditures on line 26b;
- total assets on line 27.

3.3 Summary of information to enter on RL-15 slips

In Part 3 of the return, it is important to enter the amounts on the appropriate lines because the tax treatment of income and losses under the *Taxation Act* differs according to the source of the income or loss (business, farming, etc.).

The partners' share of the amounts entered on lines 30 through 74 must be reported on the RL-15 slip. Certain exceptions apply, however, to limited partners and specified members.

The source and nature of the income (or loss) entered on the RL-15 slip must correspond to the source and nature of that income (or loss) entered on the return.

3.3.1 Canadian and foreign income, gains and losses

30 to 34 and 40 to 44 **Business income (or losses)**

Enter the gross business income and the net business income (or net business loss) only. Include business income from both Canadian and foreign sources.

Enter on lines 30 and 40, respectively, the gross income and the net income (or net loss) from a business (including a rental business) other than a business described on lines 31 through 34 and lines 41 through 44.

Use Schedule F to adjust the net income (or net loss) shown in the financial statements so that you can obtain the **net income for income tax purposes**. The adjustment is necessary, for example, where a type of income (or loss) or expenditure is treated differently for accounting purposes and for income tax purposes.

For more information, see section 4.5.

36 and 46 Rental income (or loss)

Enter the gross income derived from the rental of immovables (with or without leasing property) that is property income and the corresponding net income (or net loss), whether the immovables are located in Canada or elsewhere. For more information, see section 3.3.2.

Use Schedule F to adjust the net income (or net loss) shown in the financial statements in order to obtain the **net income for income tax purposes**. The adjustment is necessary if an income (or loss) or an expense is treated differently for accounting purposes and tax purposes.

For more information, refer to section 4.5.

Rental income – Distinction between business income and property income

A rental activity may be considered a business (for example, the operation of a motel or a campground) or an investment producing property income. In this guide and in the related forms, such property income is called "rental income."

You must enter the gross income (or gross loss) and the net income (or net loss) from the rental of property:

- on lines 30 and 40, if the rental activity can be compared to the **operation of a business**; and
- on lines 36 and 46, if the activity is considered an investment producing rental income that is property income.

Whether the rental activity is an investment or a business, there is a limit to the CCA the partnership can deduct for **rental property** (immovables rented with or without leasing property). See the text entitled "Limit on CCA – rental property and computer software tax shelter property" in section 4.2. This section also includes instructions for completing column J of Schedule B. Income derived from rental property is usually collected in the form of rent, which a person pays for the right to use or occupy a dwelling or commercial premises and for the right to services made available with respect to the use or occupation.

37 Total gross business and rental income

The total on line 37 includes the gross income from all businesses and from all property that is rental property.

You must add the amount on line 37 (not the partner's share of the amount) and the amounts from line 51a to 53, and enter the result in box 14 ("Gross income of the partnership") of each partner's RL-15 slip.

51a and 51b Actual amounts of eligible dividends and ordinary dividends

Enter the actual amount of dividends from taxable Canadian corporations paid or deemed to have been paid to the partnership on:

- line 51a, if the dividends are eligible dividends; or
- line 51b, if the dividends are ordinary dividends (dividends other than eligible dividends).

Members who are individuals may be entitled to the dividend tax credit for these dividends.

Do not take into account carrying charges or interest expenses; enter them on line 54 instead.

> NOTE
> You must enter on line 52, rather than on lines 51a and 51b, the taxable dividends received under a dividend rental arrangement.

52 Other investment income from Canadian sources

Enter the following amounts:

- interest income from Canadian sources that is property income and that was included in the partnership income for the fiscal period;
- other investment income (in particular, taxable dividends received from a tax-exempt Canadian corporation and taxable dividends received under a dividend rental arrangement).

Do not take into account carrying charges or interest expenses; enter them on line 54 instead.

NOTE
Interest income that is business income must not be entered on this line; it must be reported on lines 30 and 40 instead.

53 Foreign investment income

Enter, in Canadian dollars, all foreign non-business income (dividends, interest, etc.).

Do not take into account carrying charges or interest expenses; enter them on line 54 instead.

60 and 62 Capital gains (or losses) from the disposition of capital property

Enter the capital gains (or losses) on qualified small business corporation shares or qualified farm or fishing property on line 60, even if the property is resource property.

Enter the capital gains (or losses) on all other capital property on line 62.

Resource property

For the purposes of the capital gains deduction on resource property:

- flow-through shares issued further to an investment, an application for a receipt for the preliminary prospectus or an application for an exemption from filing a prospectus made before June 13, 2003, or after March 30, 2004;
- an interest in a partnership that invested in such flow-through shares;
- an interest in a partnership that incurred Canadian exploration expenses or Canadian development expenses, where the interest was acquired after March 30, 2004, by an individual as part of a public issue of securities further to an investment made after June 12, 2003, or further to an application for a receipt for the preliminary prospectus or an application for an exemption from filing a prospectus, as applicable, made after June 12, 2003; or
- property substituted for other resource property.

726.20.1

When calculating capital gains (or losses), do not:

- deduct a reserve relating to the disposition of capital property;
- convert capital gains into taxable capital gains, or capital losses into allowable capital losses; or
- include a business investment loss.

However, you must include on line 60 the reserves to be treated as capital gains for the fiscal period, that is, the reserves deducted for the previous fiscal period.

For more information, see the guide *Capital Gains and Losses* (IN-120-V). The guide also contains information about:

- the income tax exemption for capital gains realized on the donation of certain types of property (section 5.5.2);
- the income tax exemption for capital gains realized on the donation of flow-through shares listed on a stock exchange (section 5.5.3);
- the income tax exemption for capital gains realized on the donation of exchangeable securities (section 5.5.2);
- losses sustained on the disposition of property involving an affiliated person (section 7.3);
- capital losses sustained on the disposition of non-depreciable property (section 7.3.1);
- capital losses sustained on the disposition of depreciable property (section 7.3.2).

61 and 63 Reserves

Enter the amounts to be allocated among the partners as reserves on:

- line 61, if the reserves are related to qualified small business corporation shares or qualified farm or fishing property;
- line 63, if the reserves are related to any other capital property.

The amount that a partner can claim as a reserve on an income tax return for the disposition of property must be equal to the **lesser** of the following amounts:

- the amount of the reserve claimed for federal income tax purposes;
- the amount of the reserve to which the partner is entitled for Québec income tax purposes.

234(b)

NOTE
The partner must send us a copy of the documents filed with the CRA respecting the reserve the partner deducted for the purposes of calculating federal income tax. A partner who fails to send us a copy of these documents is liable to a penalty for failure to provide certain documents. For more information, see section 1.3.3.

For more information about the amount that a partner can claim as a reserve and how to calculate it, see Part 4 of the guide *Capital Gains and Losses* (IN-120-V).

70 Business investment loss

On line 70, enter the business investment loss sustained by the partnership.

For more information, see Part 8 of the guide *Capital Gains and Losses* (IN-120-V).

3.3.2 Foreign income and foreign income tax paid

71a to 72 Foreign income and foreign income tax paid

Enter:

- on lines 71a and 71, respectively, the total net foreign non-business income (or net foreign nonbusiness losses) and any foreign income tax paid on the net income;
- on lines 72a and 72, respectively, the total net foreign business income (or net foreign business losses) and any foreign income tax paid on the net income.

The partnership must report all income (and losses) from foreign sources. As a rule, the amount of such income must be converted to **Canadian dollars**, using the exchange rate in effect on the date of the transaction. If transactions were made on different dates during the year, you can use the average exchange rate for the year. However, in the case of capital transactions, you must use the exchange rate in effect on the date of the transaction. For information on the exchange rate, consult the website of the Bank of Canada (bankofcanada.ca).

Do not subtract from foreign income the foreign income tax withheld at source or paid by the partnership. You must differentiate the foreign income tax on business income from the foreign income tax on non-business income so that each partner's share of the foreign income tax is accurately entered in box 17 or box 18 of the partner's RL-15 slip.
21.4.17, 146, 146.1, 772 ff.

Filing a return using a functional currency

A corporation can **elect**, under federal legislation, to file its income tax return using a particular functional currency, where that currency is the principal currency used by the taxpayer to keep registers and books of account for financial reporting purposes.

The following functional currencies can be used:
- the American dollar (USD)
- the Euro (EUR)
- the pound sterling (GBP)
- the Australian dollar (AUD)

If a member corporation of the partnership makes such an election (which is automatically deemed to be made for the purposes of Québec legislation), the partnership must file its information return using the elected functional currency of the member corporation. Where one member of the partnership elects to use a particular functional currency while another member does not make any such election or elects to use a different functional currency, the partnership must file a separate information return for each currency.

You must enter the code corresponding to the elected functional currency on line 25 of the return.
21.4.18 ff.

3.3.3 Other amounts

50 Capital cost allowance related to the rental of property (including the rental of certain films)

Enter the total CCA related to a rental business that has been deducted on line 62 of Schedule F.

54 Carrying charges and interest expenses

Enter the total amount of carrying charges and interest expenses incurred to earn property income other than rental income, in particular:
- interest paid or payable on amounts borrowed to earn investment income;
- carrying charges (such as fees, other than commissions, paid to an investment counsellor for advice on buying or selling certain securities, or for the administration or management of securities);
- financing expenses (issue expenses, expenses related to the sale of interests in the partnership and borrowing costs), where the partnership ceased to exist during the fiscal period.

157(d)

Financing expenses

The financing expenses that the partnership incurred during a fiscal period cannot be deducted in whole for that period. The deduction of financing expenses must be spread over a period of, as a rule, five years (the maximum deduction for each fiscal period is equal to 20% of the total amount of expenses and is prorated according to the number of days included in the fiscal period and 365).

If the partnership ceased to exist at some time in a fiscal period, it cannot deduct, for the fiscal period, any financing expenses that it could have deducted in the five-year period had it continued to exist. However, its members can allocate the deduction (eligible deduction) that the partnership could have claimed each year for the rest of the five-year period.

The annual eligible deduction is allocated among the partners according to the proportion representing the FMV of each partner's interest and the FMV of all interests (immediately before the partnership ceased to exist). To allocate the eligible deduction, use the formula A × B ÷ C, where:

A represents the amount of the annual eligible deduction;

B represents the FMV of the partner's interest immediately before the partnership ceased to exist;

C represents the FMV of all interests in the partnership at that time.

Once you have obtained the results for each year and each partner, you must:

- inform each of the partners of the amounts they can deduct for financing expenses during the remainder of the five-year period, for their taxation year that ended at the time the partnership ceased to exist or after;
- enter the total of the annual deductions in box M on line 11 of Schedule A (see the instructions for box M in section 4.1).

NOTE

Do not include, on line 54, issue expenses relating to flow-through shares if those expenses are included in box 65 of the RL-15 slip of a member that is either an individual or a partnership whose members include an individual.

147–147.3, 160, 163, 176, 176.1, 176.4, 176.6, 179

55 Dividend rental arrangement compensation payments

Enter the total compensation payments paid by the partnership as taxable dividends.

56 Patronage dividends from cooperatives

Enter the total amount of dividends from cooperatives that the partnership received.

73 and 74 Charitable donations and other gifts

Enter:

- on line 73, the total eligible amount of charitable donations;
- on line 74, the total eligible amount of other gifts.

Take into account, where applicable, the increased eligible amount for certain property (see "Increase in the eligible amount of a gift of a work of art" and "Increase in the eligible amount of a gift of an immovable to be used for cultural purposes" below).

Gifts made on behalf of the partnership are considered to have been made by its members during their taxation year in which the partnership's fiscal period ended. If the gifts were deducted in the partnership's financial statements, they must be adjusted on line 11 of Schedule F.

You must also take into account the eligible amount of charitable donations and other gifts based on the official receipts issued to the partnership. Enclose the receipts with the information return. Each partner can claim a tax benefit (such as the tax credit for donations and gifts, or, where the partner is a corporation, a deduction for donations and gifts) for the partner's share of the amounts on lines 73 and 74.

Charitable donations

Charitable donations are gifts made to qualified donees, **other** than gifts of cultural property, ecological gifts or gifts of a musical instrument (see Table 1 on page 40).

Qualified donee

A qualified donee can be:

- a registered charity;
- a registered Canadian or Québec amateur athletic association;
- a corporation constituted exclusively for the purpose of providing low-cost housing accommodation for senior citizens;
- a registered cultural or communications organization;
- a Canadian municipality;
- the United Nations or one of its agencies;
- a prescribed foreign university;
- the Government of Canada or a provincial government;
- the Organisation internationale de la Francophonie or one of its subsidiaries;
- a registered museum;
- a municipal or public body performing a function of government in Canada;
- a recognized political education organization;
- a registered journalistic organization.

Restriction applicable to a charitable donation of a work of art

For a work of art donated on behalf of a partnership, partners can claim a tax benefit for the taxation year that ended in the partnership's fiscal period in which the donation was made ended, provided the donee sold the work of art by December 31 of the fifth year after the calendar year in which the donation was made. If the partnership cannot take into account such a donation at the time it files its information return because it has not yet received the official receipt, the partners keep their right to their share of the eligible amount of the donation made on behalf of the partnership during one of its fiscal periods, as long as the work of art is sold within five years after the donation.

The requirement to sell the work of art within five years does not apply if the donee is:

- a Canadian municipality, the Government of Canada, a provincial government or an organization that acquired the work of art as part of its primary mission;
- a charity that is a recognized establishment for purposes of the 50% increase of the eligible amount of the gift, in the case of a public work of art (see the information below).

Increase in the eligible amount of a gift of a work of art

The eligible amount of a gift of a work of art can be **increased by 25%** if the gift was made to a Québec museum (a museum situated in Québec or a registered museum).

If a charitable donation or a gift of cultural property was made to certain donees on behalf of the partnership, and the property donated is a public work of art, the eligible amount of the gift can be **increased by 25% or 50%**, as applicable. The partnership must hold a certificate, issued by the Ministère de la Culture et des Communications, confirming the FMV of the public work of art or, in the case of a gift of cultural property, a document issued by the competent authority for this type of gift (for information regarding gifts of cultural property, see Table 1 on page 40).

Public work of art

A permanent work of art, often large in size or of an environmental nature, installed in a space accessible to the public for the purposes of commemoration, embellishment or integration into the architecture or environment of public buildings and sites.

Accordingly, the eligible amount of a gift of a public work of art can be **increased by 25%** if the gift was made to one of the following donees (unless the eligible amount was previously increased by 25% because the public work of art was donated to a Québec museum):

- the Québec government (unless the gift was made to an educational institution that is a mandatary of the State);
- a Québec municipality or a municipal or public body performing a function of government in Québec (unless the gift was made to a school service centre, formerly known as a "school board") provided that, according to the certificate issued by the Ministère de la Culture et des Communications, the work was acquired by the municipality or the body in accordance with its policy of acquisition and conservation of public works of art.

The eligible amount of a gift of a public work of art can be **increased by 50%** if the gift was made to one of the following donees:

- an educational institution that is a mandatary of the State;
- a school service centre (formerly known as a "school board") governed by the *Education Act* or the *Education Act for Cree, Inuit and Naskapi Native Persons*;
- a registered charity whose mission is education and that is:
  - an educational institution established under Québec law, other than a mandatary of the State,
  - a general or vocational college (CEGEP),
  - an educational institution at the university level referred to in paragraphs 1 to 11 of section 1 of the *Act respecting educational institutions at the university level*, or
  - a private educational institution accredited for the purposes of subsidies under the *Act respecting private education*.

In this case, the certificate issued by the Ministère de la Culture et des Communications must also confirm that the work of art acquired by the donee will be installed in a place accessible to students and that its conservation can be ensured.

Increase in the eligible amount of a gift of an immovable to be used for cultural purposes

Where a gift of a building located in Québec that can house artist studios or cultural organizations was made on behalf of the partnership, the eligible amount of the gift can be **increased by 25%**.

The partnership must hold a qualification certificate for the building and a certificate confirming the FMV of the building (the FMV includes the value of the land on which it is located) issued by the Ministère de la Culture et des Communications or, in the case of a cultural gift, a document issued by the competent authority for this type of gift (for information regarding gifts of cultural property, see Table 1 on page 40). The gift must have been made to one of the following donees:

- a Québec municipality or a municipal or public body performing a function of government in Québec;
- a registered charity operating in Québec for the benefit of the community, such as the Société d'habitation et de développement de Montréal, or in the arts or culture sector;
- a registered cultural or communications organization;
- a registered museum.

Increase in the eligible amount of a food donation

The eligible amount of a food donation can be **increased by 50%** if the food donation was made by a partnership that is a recognized agricultural producer. The food donation must have been made to a registered charity that is a Food Bank of Québec, a Moisson member or an associated member.

The eligible amount of certain food donations (milk, oil, flour, sugar, deep frozen vegetables, pasta, prepared meals, baby food and infant formula) can also be **increased by 50%** if the food donation was made by a partnership carrying on a food processing business.

Restriction applicable to a gift of a non-qualifying security

For the gift of a non-qualifying security on behalf of a partnership, partners can claim a tax benefit for their taxation year in which the partnership's fiscal period in which the gift was made ended, but only if the security in question ceased to be a non-qualifying security or was sold by the donee within five years after the gift was made. The donee can only issue an official receipt for the gift after one of these events has occurred. If the partnership cannot take into account the amount of the gift at the time it files its information return because it has not received the receipt at that time, the partners do not lose their rights to their share of the eligible amount for the gift of a non-qualifying security on behalf of the partnership in the partnership's fiscal period, provided the security ceased to be a non-qualifying security or was sold by the donee within five years after the gift was made.

However, for non-qualifying securities that the donee sells after March 21, 2011, but before the above-mentioned five-year period expires, the partners can claim the tax credit only if the donee did not receive another non-qualifying security as consideration for the sale of the securities.

Restriction applicable to a gift of an option to acquire property

If a partnership grants a qualified donee an option to acquire one of its properties, its members may be able to claim a tax benefit, but only once the donee has acquired the property in question. This rule applies to any option granted after March 21, 2011.

The amount that gives entitlement to the tax credit is equal to the amount by which the FMV of the property at that time exceeds the total of the amounts paid by the donee to obtain the option and to acquire the property, provided that this amount is equal to at least 20% of the FMV of the property at that time.

Information about a large cultural donation and cultural patronage

If a monetary donation was made on behalf of the partnership, and the donation was made in one or more instalments during the fiscal period, a member of the partnership who is an individual (other than a trust) may be able to claim a tax credit for this donation, for the taxation year in which the fiscal period ended. The donation qualifies for an additional tax credit of 25% if it is a single large cultural donation and for an additional tax credit of 30% if it is cultural patronage. The amount of such a donation must be paid in its entirety in the fiscal period. Note that cultural patronage made by a partnership may be paid over more than one of the partnership's fiscal periods if the donation was made pursuant to a promise of donation registered with the Ministère de la Culture et des Communications.

The donation must have been made to one of the following donees:

- a registered charity operating in the arts or culture sector;
- a registered cultural or communications organization;
- a registered museum, one of the four major Québec museums (Musée d'art contemporain de Montréal, Musée de la civilisation, Montreal Museum of Fine Arts or Musée national des beaux-arts du Québec) or a museum located in Québec that is established under the *Museums Act*, where the donation is not a charitable donation (see Table 1 on page 40).

Enter the eligible amount of the large cultural donation or of the cultural patronage on line 73 or on line 74, if the donation was made to a registered museum, to one of the four major Québec museums or to a museum located in Québec that is established under the *Museums Act*.

You must also inform each member of the partnership who is an individual of the amount corresponding to their share of the eligible amount of the donation if that share is:

- at least $5,000 (but not exceeding $25,000), in the case of a large cultural donation;
- at least $250,000, in the case of cultural patronage.

NOTE

If cultural patronage is in the form of a promise of donation, the donation must be paid over a period of no more than ten fiscal periods. Consequently, the share of the member who is an individual in the eligible amount of the donation for each fiscal period must be at least $25,000.

Other gifts

Table 1 shows the other gifts for which the members of a partnership can claim a tax benefit and the documents to enclose with the information return.

TABLE 1 Other gifts and documents to enclose

Type of gift	Donees	Documents to enclose with the information return
Gift of cultural property (If the property is a work of art, see the section entitled "Increase in the eligible amount of a gift of a work of art" on page 37.)	An institution or public authority in Canada designated by the Minister of Canadian Heritage and Official Languages	• Official receipt • Form T871, *Cultural Property Income Tax Certificate*, issued by the Canadian Cultural Property Export Review Board or the notice issued by the Conseil du patrimoine culturel du Québec
	One of the following four major Québec museums: Musée d'art contemporain de Montréal, Musée de la civilisation, Montreal Museum of Fine Arts and Musée national des beaux-arts du Québec	• Official receipt • Form TPF-712.0.1-V, *Certificate of Disposition of Cultural Property*, issued by the Conseil du patrimoine culturel du Québec
	A certified archival centre or a registered museum (in this case, the gift is also referred to as a "gift of property with heritage value")	
Ecological gift • Land in Québec with ecological value, or real servitude encumbering such land • Personal servitude that has a term of not less than 100 years (encumbering land located in Québec), if the gift is made after March 21, 2017 (An ecological gift located in a region that borders Québec may be eligible. For more information, contact us.)	• The Government of Canada or the Québec government • A Québec municipality or other public body performing a function of government in Québec • A registered charity (except a private foundation, if the gift is made after March 21, 2017) whose primary mission is the preservation and protection of Québec's ecological heritage	Form TPF-712.0.2-V, *Certificate for a Gift of Land or a Servitude With Ecological Value*, issued by the Ministère de l'Environnement et de la Lutte contre les changements climatiques

Type of gift	Donees	Documents to enclose with the information return
Gift of a musical instrument	Recognized educational institution	Official receipt
Large cultural donation or cultural patronage (See the section entitled "Information about a large cultural donation and cultural patronage" on page 39.)	Registered museum	Official receipt
	One of the following four major Québec museums: Musée d'art contemporain de Montréal, Musée de la civilisation, Montreal Museum of Fine Arts and Musée national des beaux-arts du Québec	
	Museum located in Québec and established under the *Museums Act*	

710, 714, 714.1, 716.0.1.1, 752.0.10.1, 752.0.10.11.1, 752.0.10.11.2, 752.0.10.15, 752.0.10.15.1

3.4 Other information and certification

In Part 4 of the return, enter the information regarding the following persons, as applicable: the designated partner, the partnership's representative, the partner authorized to sign and the mandatary or the representative holding an interest on behalf of investors. Such persons also sign the form in this part.

If the partner, representative or mandatary is a corporation, the corporation's president, vice-president, secretary or treasurer (or any other person duly authorized by the corporation's board of directors) must sign the form.

Designated partner

A designated partner is a partner who is authorized to serve a notice of objection respecting the determination (or redetermination) of the partnership's income (or loss) for the fiscal period. The designated partner must complete section 4.1.

Furthermore, as it may be difficult to obtain each member's waiver, the designated partner can, on behalf of all members, waive the three-year time period for making a determination.

Representative of the partnership

In section 4.2, enter information about the person to contact to obtain additional information for the purposes of an audit or for processing the return.

Partner authorized to sign

The partner who files the return on behalf of all the partners must complete section 4.3.

Mandatary or representative holding an interest on behalf of investors

If the return is filed by a mandatary or representative, the mandatary or representative must complete section 4.4.
1007.1–1007.5; TAA 58, 93.1.1.1; 1086R78, 1086R79

4 INSTRUCTIONS FOR COMPLETING THE SCHEDULES

4.1 Schedule A – Partners' Interests and At-Risk Amounts

Complete Schedule A to provide information about the adjustments to the ACB of the interest held by each member of a partnership during the fiscal period and, if applicable, the adjustments to the at-risk amount of limited partners.

You must enter the information requested for **each person** that was a member of the partnership during the fiscal period, including persons who became members and persons who disposed of their interest (in whole or in part).

10a Number of partners at the end of the fiscal period

Enter the number of partners who hold an interest in the partnership at the end of the fiscal period.

10b Number of partners who disposed of their interest (in whole or in part) during the period

Enter the number of partners who, during the fiscal period, disposed of their interest in the partnership (in whole or in part).

11 Boxes A to R

Box A Partner's social insurance number or identification number

Enter the partner's social insurance number (in the case of an individual) or identification number (in all other cases). Also enter this number on the partner's RL-15 slip.

Box B Name of partner

Enter the name of the partner (based on the type of taxpayer), as follows:

- the last name followed by the first name in the case of an individual (other than a trust);
- the name of the corporation;
- the name of the partnership;
- the name of the trust (in the case of a succession, write "Succession of" before the name of the deceased person, for example, "Succession of Jacques Lévesque").

Also enter this information on the partner's RL-15 slip.

Box C Address

Enter the partner's city and country of residence. In the case of a trust, its place of residence is generally that of the trustee, the liquidator of the succession or the person who administers the succession, as applicable.

See the list of country codes in Part 5 of this guide.

You must enter the full address on the partner's RL-15 slip.

Box G All or a portion of the partner's interest was disposed of during the fiscal period

Check box G if all or a portion of the partner's interest was disposed of during the fiscal period.

Box H Share in the net income (or loss) of the fiscal period

Enter the partner's share of the amount entered on line 95 or line 100 of Schedule F, depending on whether the partner is a **general partner** or a **specified member** (limited partner or silent partner).

Box I Cost of units acquired during the fiscal period

Enter the total cost of the units acquired by the partner during the fiscal period.

Box J Share of the net income (or net loss) of the previous fiscal period

Enter the partner's share of the amount that would have been entered on line 95 or line 100 of Schedule F, depending on whether the partner is a **general partner** or a **specified member** (limited partner or silent partner), had you completed this schedule for the previous fiscal period.

Box K Capital contributions during the fiscal period

Enter the total amount of capital the partner contributed to the partnership during the fiscal period.

Only take into account the capital contributions that the partnership has already received or is entitled to receive.

Box L Drawings in the fiscal period

Enter the total amount of payments made to the partner and the amount corresponding to the value of the advantages the partner received during the fiscal period. This includes:

- capital repayments;
- salaries and wages;
- cost of goods intended for sale that were used for the partner's personal consumption;
- personal expenses paid by the partnership.

Box M Other adjustments during the fiscal period

Enter the amount of any adjustment that is not entered in one of the previous boxes.

If the partnership ceased to exist at some time during the fiscal period and the partner can claim a deduction for financing expenses that the partnership could have claimed had it continued to exist, enter the total of the amounts that the partner can claim as financing expenses. Enter a minus sign (–) before the total, as it reduces the ACB of the partner's interest (see "Financing expenses" in the instructions for line 54 of the return).

Partner that ceased to be a member of the partnership

If a partner ceased to be a member of the partnership during the fiscal period, enter the share of income (or of the loss) that the partnership is allocating to this partner for the fiscal period. This amount is added to the ACB of the partner's interest.

602.1

Box P Share of the net income of the fiscal period

If the amount on line 100 of Schedule F constitutes net income, enter the partner's share of this income.

Box Q Share in certain reductions of resource expenses for the fiscal period

Enter the partner's share of each amount covered by subparagraph (viii) of paragraph (i) of section 255 of the *Taxation Act* which must be subtracted from the cumulative Canadian exploration expenses, Canadian development expenses or oil and gas property expenses that the partnership allocates to the member for the fiscal period.

Box R Amounts owing or benefits received during the fiscal period

Enter the total amounts owing to the partnership (or to a person or partnership not dealing at arm's length with the partnership) by the partner (or a person or partnership not dealing at arm's length with the partner).

Also enter in this box the amount corresponding to the value of the benefits that the partner (or a person not dealing at arm's length with the partner) received or is entitled to receive, whether by way of a reimbursement, compensation, revenue guarantee, loan or in any other way, for the purpose of eliminating or reducing the impact of a loss that the partner may sustain because the partner holds or is disposing of an interest in the partnership.

Note that exceptions apply. For more information, see "At-risk amount" in section 2.1 of this guide.

4.2 Schedule B – Capital Cost Allowance (CCA)

Schedule B is to be completed by a partnership that, in the calculation of its business or property income, deducts a portion of the capital cost of certain depreciable property as CCA.

Column A Property class number

Enter the class number of each depreciable property of the partnership, using a separate line for each class. Refer to the CCA table for the previous fiscal period or consult Schedule B to the *Regulation respecting the Taxation Act* (RTA) to find out what classes of property exist and the CCA rate applicable to each. The CCA rates applicable to the most common classes are also provided in the instructions for column I.

As a rule, property of a same class is grouped together. Consequently, a given class number should appear only once in column A. However, **in certain circumstances**, property of a same class must be separated into two or more groups. In this case, the class number must be entered in column A once for each group.

Property of the same class is separated in the following circumstances:
- The RTA **requires** that certain property of the same class be included in a separate class.
- Under the RTA, certain property of the same class can be included in a separate class if the partnership **elects** to separate it.

Table 2 shows **certain** classes for which certain property must be included or can be included in a separate class.

TABLE 2 Separate classes

Class number	Mandatory	Election
Class 1	Under sections 130R33 and 130R34 of the RTA, certain leasehold interests must be included in a separate class 1. Leasehold interests included in classes 3 and 6 must be included in a separate class 3 or a separate class 6 for the same reason.	A separate class 1 for **each** property for which an election can be made (See "Non-residential buildings" in the instructions for column J.)
Class 8	N/A	• A separate class 8 including **all** billboards • A separate class 8 including **all** office equipment for which an election can be made (See "Office equipment" in the instructions for column J.)
Class 10.1	A separate class 10.1 for **each** property in this class (See "Automobiles" in the instructions for column J.)	N/A
Class 14	**All** class 14 qualified intellectual property must be included in a separate class.	N/A
Class 14.1	**All** class 14.1 qualified intellectual property must be included in a separate class.	N/A
Class 38	N/A	A separate class 38 for **each** property in this class
Class 43.1	**All** property for which an additional CCA of 30% can be claimed must be included in a separate class 43.1. (Refer to section 4.5.9.)	N/A
Class 43.2	**All** property for which an additional CCA of 30% can be claimed must be included in a separate class 43.2. (Refer to section 4.5.9.)	N/A
Class 44	**All** class 44 qualified intellectual property must be included in a separate class.	N/A
Class 50	**All** property for which an additional CCA of 30% can be claimed must be included in a separate class 50. (Refer to section 4.5.9.) **All** computer software tax shelter property must be included in a separate class 50.	N/A
Class 53	**All** property for which an additional CCA of 30% can be claimed must be included in a separate class 53. (Refer to section 4.5.9.)	N/A
Under certain conditions, the following property must be included in a separate class from other property of the same class: • rental property the capital cost of which is $50,000 or more; • specified leasing property; • leasing property.		

Qualified intellectual property

A patent or a right to use patented information, a licence, a permit, know-how, a trade secret or other similar property constituting knowledge that:

- is acquired after December 3, 2018;
- is class 14, class 14.1 or class 44 property;
- is acquired by the partnership as part of a technology transfer, or is developed by the partnership, or on its behalf, in order to implement an innovation or an invention for its business;
- the partnership begins to use within a reasonable time after acquiring it or after its development is completed;
- is, for the time required to implement the innovation or invention ("implementation period"), used only in Québec and primarily in the course of a business carried on by the partnership or by a person not dealing at arm's length with the partnership who acquired the property by way of a transfer, an amalgamation or a winding-up;
- is not used, during the implementation period, to earn or produce gross income that is a rent or royalty;
- is not acquired from a person or partnership that is not dealing at arm's length with the partnership.

The term "qualified intellectual property" does not mean a trademark, an industrial design, a copyright or other similar property constituting the expression of knowledge.

Partnerships carrying on another business or earning property income

If certain property of the same class was acquired to earn income from a business, and other property was acquired to earn income from another business or property income, a separate class must be created for each business in respect of the property.

130R156 –130R203

Column B Undepreciated capital cost (UCC) at the beginning of the period

Enter, for each class, the UCC of the property at the end of the previous fiscal period. This amount is shown in column K of the copy of Schedule B filed for the previous period.

If this is the partnership's first fiscal period, leave column B blank.

If the disposition of the property involved an affiliated person and resulted in a loss, add the excess amount referred to under "Depreciable property" (see the instructions for completing lines 60 and 62 that discuss capital losses resulting from dispositions involving an affiliated person).

Column C Capital cost of property acquired in the period

If the partnership acquired depreciable property during the fiscal period and that property was available for use, enter the capital cost of the property on the line for the appropriate class.

The **capital cost of property** is generally the full cost the partnership incurred to acquire the property and includes:

- legal, accounting, engineering and other fees incurred to acquire the property;
- site preparation, delivery, installation, testing and other costs incurred to put the property into use; and
- in the case of property the partnership manufactures for its own use, material, labour and overhead costs reasonably attributable to the property, but not any profit which might have been earned had the asset been sold.

In calculating the capital cost of property, you must deduct the amount of any assistance received, input tax credits (ITCs) granted and input tax refunds (ITRs) claimed during the taxation year in respect of the property. You must add the amount of any assistance, ITCs and ITRs already deducted that the partnership has repaid (or is deemed to have repaid) during the taxation year. Amounts that were received or repaid **after** the property to which they relate was disposed of must be entered in column D instead.

Note that other rules reduce or increase the capital cost of certain property. For example, the capital cost of property in class 10.1 or class 54 is limited. See "Automobiles" and "Zero-emission vehicles" below.

NOTE

If the partnership was entitled to federal investment tax credits for depreciable property acquired and put to use in the fiscal period (other than property that constitutes qualified R&D expenditures), and if it allocated the tax credits to the partners, the partnership must subtract the tax credits from the capital cost of the depreciable property, regardless of whether the credits were deducted by the partners in their income tax returns.

Available-for-use rule

Most depreciable property is subject to the available-for-use rule. Under this rule, no CCA can be claimed for new property until it has been first used to earn income.

Consequently, when depreciable property is used to earn income in the **fiscal period in which it was acquired** (which is usually the case), its capital cost must be entered in column C of the CCA table for that **fiscal period**.

If the property is not used to earn income in the fiscal period in which it was acquired, its capital cost must be entered in column C of the CCA table for the **fiscal period in which it is considered to be available for use**.

Under the *Taxation Act*, a certain number of dates may be considered to be the date on which the property acquired by a partnership becomes available for use. For further information, contact us.

21.35, 21.35.1. 93.6, 93.7, 93.8, 101, 252 (1st par.)

Column C.1 Capital cost of property that qualifies for accelerated CCA

A partnership can claim an accelerated CCA if it acquired:

- class 54, class 55 or class 56 property;
- property in another class that is AIIP.

The following rules apply to such property for the fiscal period in which the property is available for use (usually the fiscal period in which the property is acquired):

- The half-year rule does not apply.
- The UCC used to calculate the CCA is increased so that an amount of enhanced CCA may be granted.

With these rules, the total CCA that can be claimed for a property over its lifetime is deducted more quickly than before the implementation of the accelerated CCA rules.

NOTE

Given that property available for use **after 2027** will no longer be AIIP or class 54, class 55 or class 56 property, the accelerated CCA rules **will not apply** to any property put into use in the following fiscal periods:

- a fiscal period that begins in 2027 and ends in 2028, **except** if the property is put into use in 2027;
- any fiscal period that begins after December 31, 2027.

Column C.1 is used to enter the capital cost of property for which accelerated CCA can be claimed. Therefore, if the CCA table includes:

- property in class 54, class 55 or class 56, carry the amount from column C for each class to column C.1 for each class;
- property included in any other class whose capital cost is included in column C and that is AIIP, carry the capital cost to column C.1 for each class concerned.

If, for a given class, you have no amount to enter in column C.1, enter "0." Also enter 0 in columns F.1, F.2 and F.3. Then complete columns D, E and F and G.

As the CCA rate for property in **class 12** is 100% and the half-year rule does not apply, there is no accelerated CCA for this class. Enter 0 in columns C.1, F.1, F.2, F.2.1 and F.3. Then complete columns D, E, F and, if applicable, column G. Continue to column H.

An enhanced CCA can also be applied to property in **class 13, class 14 or class 15** (property to which the straight-line depreciation method applies) for the first fiscal period. However, a different type of enhancement is used. Enter 0 in columns C.1, F.1, F.2, F.2.1 and F.3. Then complete columns D, E, F and G. If the partnership acquired property in class 13 or class 14, see the instructions for column J. If the partnership acquired property in class 15, contact us.

Accelerated investment incentive property (AIIP)

Property (other than property in class 54, 55 or 56) acquired after November 20, 2018, and available for use before 2028. The property must also meet **one** of the following requirements:

- No CCA or deduction for a terminal loss has been claimed with respect to the property by the partnership, or by another person or partnership, for a taxation year or fiscal period that ended before the property was acquired by the partnership.
- The property is not:
  - property that was acquired as part of a tax-deferred rollover;
  - property that was previously acquired or held **either** by the partnership **or** by a person or a partnership (hereinafter "other entity") with which the partnership was not dealing at arm's length at the time the other entity owned it or the partnership acquired it.

NOTE
The term "tax-deferred rollover" refers to a rollover under section 614 of the *Taxation Act*.

Column D Adjustments

For each class, enter the total of the adjustments made in calculating the UCC.

To calculate the total, you must:

- add the total of any assistance that meets the following requirements:
  - the assistance is related to depreciable property in the class,
  - the assistance was repaid by the partnership, under an obligation to repay the assistance, after the partnership disposed of the property,
  - the assistance would have been included in the calculation of the property's capital cost, under section 101 of the *Taxation Act*, had the repayment been made before the property's disposition;
- subtract the total of any assistance that meets the following requirements:
  - the assistance is related to depreciable property of the class or was paid to help acquire such property,
  - the partnership received or was entitled to receive the assistance before claiming the CCA and after disposing of the property,
  - the assistance would have been included, under section 101 of the Act, in the assistance that the partnership received or was entitled to receive for the property had the assistance been received before the property's disposition.

NOTE
- Enter a minus sign (–) before a negative amount in column D.
- Do not use the copy of Schedule B you are filing for this fiscal period to correct errors made in a previous period. If the errors affect the partnership's net income (or net loss), correct the documents filed for the previous year and submit amended RL-15 slips to the partners.

93(e)

Column E Proceeds of dispositions of property in the period

For each depreciable property disposed of during the fiscal period, determine the lesser of the following amounts:
- the proceeds of disposition of the property, minus any expenses incurred for the disposition;
- the capital cost of the property.

Add the amounts obtained for each depreciable property of a same class and enter the total amount in column E.
93(e)(iv)

Column F UCC before adjustments for acquired property

If the amount in column F is positive, it is used to calculate the CCA for each class of property entered in column A, unless:
- an adjustment must be made in column F.3 or column G (in which case the amount in column H is used to calculate the CCA); or
- that class no longer contains any property, in which case the amount in column F is deductible as a terminal loss (enter "0" in column H).

Any negative amount entered in column F must be included as CCA recapture in the calculation of partnership income. In this case, enter 0 in column H.

NOTE
There is no CCA recapture or terminal loss for vehicles in class 10.1.
94, 130.1

Column F.1 Reduction of the capital cost of the property that qualifies for accelerated CCA

As a rule, to calculate the enhanced CCA, you must **subtract** the following from the capital cost of property that qualifies for accelerated CCA (column C.1):
- for property in class 54, class 55 or class 56, **the proceeds from the disposition of the property** during the fiscal period;
- for property in other classes that is AIIP, **the portion** of the proceeds from the disposition of all such property during the fiscal period **that exceeds** the capital cost of property in the class that is not AIIP.

Column F.1 is used to determine the amount you have to subtract from the capital cost of property that qualifies for accelerated CCA. To calculate this amount, where no amount is entered in column D of a given class, **subtract** the amount in column C.1 from column C, then **subtract** the result from the amount in column E.

If an amount is entered in column D for a given class, **subtract** the amount in column C.1 from the adjusted amount in column C, then **subtract** the result from the adjusted amount in column E.

If you entered 0 in column C.1, also enter 0 in column F.1.

Adjusted amount in column E (if an amount is shown in column D)

You must **add** the total of the adjustments included in column D that reduce the UCC to the amount in column E. More specifically, these adjustments are any assistance that meets the following requirements:

- the assistance is related to property in the class or was paid to help acquire such property;
- the partnership received or was entitled to receive the assistance before claiming the CCA but **after** disposing of the property;
- the assistance would have been included, under section 101 of the *Taxation Act*, in the assistance the partnership received or was entitled to receive for the property had the assistance been received before the property's disposition.

Adjusted amount in column C (if an amount is in column D)

You must **add** the total of the adjustments included in column D that are added to the UCC to the amount in column C. More specifically, these adjustments are any assistance that meets the following requirements:

- the assistance is related to property in the class;
- the assistance was repaid by the partnership, under an obligation to repay the assistance, **after** the partnership disposed of the property;
- the assistance would have been included in the calculation of the property's capital cost under section 101 of the Act had the repayment been made before the property's disposition.

> NOTE
> If the amount in column F.1 is negative, enter "0."

Column F.2 Net acquisitions pertaining to property that qualifies for accelerated CCA

The amount in column F.2 is the portion of the capital cost of property that qualifies for accelerated CCA that must be increased for the purpose of calculating the enhanced CCA. To calculate this portion, **subtract** the amount in column F.1 from the amount in column C.1.

If the result is negative, enter 0 and go to column G.

Column F.2.1 Multiplier

Table 3 shows the **gross-up rate** (hereinafter "multiplier") applicable to each class for a fiscal period ending in 2020. It is used to determine the portion of the capital cost of property that qualifies for accelerated CCA that will be added to the UCC to create a "hypothetical" UCC for the purpose of calculating CCA.

TABLE 3 Multiplier for a fiscal period that ends in 2021

Classes of property subject to the declining-balance method of depreciation	Multiplier
Class 14.1 (property that is **qualified intellectual property**[1])	19
Class 43.1, class 54 or class 56	7/3
Class 43.2	1
Class 44 (property that is **qualified intellectual property**[1])	3
Class 50 (property used primarily in Québec **that** was acquired after December 3, 2018)	9/11
Class 53	1
Class 55	1.5
• Class 14.1 or class 44 (property **other** than **qualified intellectual property**[1]) • Class 50 (property that is **not** used primarily in Québec **or** that was acquired after November 20, 2018, but before December 4, 2018) • Other classes (except class 12)	0.5

Column F.3 UCC adjustment for property that qualifies for accelerated CCA

The amount in column F.3 is the portion of the capital cost of property that qualifies for accelerated CCA to be added to the UCC (column F) to create a "hypothetical" UCC (column H) for the purpose of calculating CCA. To determine the amount to add to the UCC, **multiply** the amount in column F.2 by the multiplier in column F.2.1.

Column G UCC adjustment for other property acquired in the period

Column G applies to property subject to the **half-year rule**, that is, property that meets the following three requirements:

- The property is available for use during the fiscal period (the capital cost of the property is in column C).
- The property does **not** qualify for accelerated CCA (the capital cost of the property is in column C, not in column C.1; as a rule, the property was acquired before November 21, 2018).
- The property is **not** excluded property under the half-year rule (see "Exceptions" below).

NOTE

Given that property available for use **after 2027** will not qualify for accelerated CCA, the half-year rule **will apply again** to property available for use in the following fiscal periods:

- a fiscal period beginning in 2027 and ending in 2028, **except** if the property is put into use in 2027 or if it is excluded property under the half-year rule (see "Exceptions" below);
- any fiscal period that begins after December 31, 2027, **except** if the property is excluded property under the half-year rule (see "Exceptions" below).

Under the half-year rule, the capital cost of a given property is reduced by half for the fiscal period in which the property is available for use. If property was disposed of within the same fiscal period, the proceeds of disposition must be subtracted from the property's capital cost.

1. See the definition of "qualified intellectual property" on page 46.

For a given class of property, you must do the following calculation:

Calculation		Note
50% ×	Capital cost of property subject to the half-year rule (**subtract** column C.1 from column C[1]) **minus** the proceeds of dispositions of property in the fiscal period (column E[2])	If the result is negative, enter 0 in column G.

Exceptions

The half-year rule **does not apply** to:

- property in class 12 (except for dies, jugs, patterns, moulds or lasts);
- property in classes 13, 14, 15 and 23;
- property that the partnership elected to include in a separate class.

Under certain conditions, this rule does not apply to property acquired as a result of certain transfers made to a person not dealing at arm's length with the partnership or acquired in the course of certain reorganizations.

130R119, 130R120(a), 130R122–130R124

Column H UCC adjusted for the calculation of CCA

Column H is used to determine the "hypothetical" UCC for calculating CCA. The hypothetical UCC is the actual UCC (column F) plus the adjustment related to property that qualifies for accelerated CCA (column F.3) minus the adjustment related to property subject to the half-year rule (column G).

Column I CCA rates by class of property

Table 4 shows the CCA rate for each class of property subject to the declining-balance method of depreciation. The instructions for column J provide details for classes followed by an asterisk (*).

1. For property in class 12, take into account only the portion of the amount in column C related to property subject to the half-year rule (see "Exceptions" below). If you entered an amount in column D, use the adjusted amount in column C (see "Adjusted amount in column C" in the instructions for column F.1).
2. If you entered an amount in column D, use the adjusted amount in column E (see "Adjusted amount in column E" in the instructions for column F.1).

TABLE 4 CCA rate by class of property (declining-balance method)

Class 1*	4%
Class 2	6%
Class 3	5%
Class 4	6%
Class 5	10%
Class 6	10%
Class 7	15%
Class 8*	20%
Class 8.1*	33 1/3%
Class 9	25%
Class 10*	30%
Class 10.1*	30%
Class 11	35%
Class 12*	100%
Class 14.1*	5%

Class 16	40%
Class 17	8%
Class 18	60%
Class 22	50%
Class 23	100%
Class 25	100%
Class 26	5%
Class 28	30%
Class 30	40%
Class 31	5%
Class 32	10%
Class 33	15%
Class 35	7%
Class 37	15%
Class 38	30%

Class 39	25%
Class 41	25%
Class 42	12%
Class 43*	30%
Class 43.1*	30%
Class 43.2*	50%
Class 44	25%
Class 46	30%
Class 50*	55%
Class 53*	50%
Class 54*	30%
Class 55*	40%
Class 56*	30%

Classes of property subject to the straight-line depreciation method

Property in classes 13, 14, 15 and 29 are subject to the straight-line depreciation method. If the partnership acquired property in classes 13, 14 and 29, see the instructions for column J below. Contact us if the partnership acquired class 15 property.

Column J CCA

For each class of property listed in column A, enter the amount that the partnership is claiming as CCA, without exceeding the amount set by the *Regulation respecting the Taxation Act*. As a rule, the CCA is calculated using the declining-balance method, where the UCC (column H) for a given class is multiplied by the CCA rate for that class. In some cases, however, the straight-line depreciation method must be used.

The partnership cannot claim an amount as CCA for a particular class if the partnership no longer owns property in that class at the end of the fiscal period (with the exception of a class 10.1 automobile).

If the fiscal period covers fewer than 12 months, the CCA provided for above must be calculated on the basis of the ratio between the number of days in the fiscal period and 365.

130(a); 130R1, 130R3, 130R22, 130R23, 130R127

Limit on CCA – rental property and computer software tax shelter property

Regardless of whether **rental property** (immovables with or without leasing property) generates property income (line 46) or business income (line 40), the partnership cannot deduct any portion of the CCA that creates or increases a rental loss. In other words, the amount of CCA deducted must not exceed the amount of net rental income before CCA. If the partnership owns more than one immovable, this rule applies to all of the immovables. You must therefore take the rule into account in calculating the total CCA, before calculating the net rental income (or loss) for all the property.

If an amount is claimed as CCA for **computer software tax shelter property** (tax shelter software used in carrying on a business) the partnership cannot deduct any portion of the CCA for the computer software tax shelter property that creates or increases a business loss.

130R85 ff., 130R117, 130R118

Non-residential buildings (class 1)

As a rule, non-residential buildings are included in class 1 and, as such, are eligible for a CCA rate of 4%.

However, a non-residential building acquired after March 18, 2007, and placed in a separate class may be eligible for an additional allowance of 6% if at least 90% of the floor space of the building is used for the manufacturing or processing in Canada of goods intended for sale or lease. Other non-residential buildings placed in a separate class may be eligible for an additional allowance of 2%.

The additional allowances of 6% and 2% also apply to buildings that were under construction on March 19, 2007, provided that they had not been wholly acquired on that date, nor used or acquired for use before that date.

If the partnership does not place each of these buildings in a separate class 1, it must apply a CCA rate of 4%.

NOTE
For property in this class that is not AIIP, the half-year rule applies to both the CCA and the additional allowance.

Office equipment (class 8)

Certain class 8 property, such as photocopiers, fax machines and telephone equipment whose cost exceeds $400, can be included in a separate class if an election is made in respect of the property.

The election to create a separate class does not change the CCA rate (for example, the CCA rate of class 8 property is still 20%). However, it does provide the following advantages:

- The half-year rule (see column G) does not apply to this property for the fiscal period during which the partnership acquired the property, even if the property does not qualify for accelerated CCA.
- If, at the end of a given fiscal period, the partnership no longer owns any property in a separate class (whether the class was created for each property or for two or more properties), it can claim a terminal loss equal to the UCC of the property in that class.

Tools of less than $500 (class 8 or 12)

Tools, kitchen utensils and medical or dental instruments that cost $500 or more must be included in class 8, and, as such, they are eligible for a CCA rate of 20%.

However, any such property that costs less than $500 can be included in class 12, in which case it is eligible for a CCA rate of 100%. This measure does not apply to electronic communication devices or electronic data processing equipment.

Work of art (class 8.1)

Property that is a drawing, a print, an etching, a sculpture, a painting or other similar work of art of which the artist was a Canadian is included in this class.

Automobiles (class 10.1)

Passenger vehicles (motor vehicles designed to carry a maximum of nine people) must be included in class 10.1, rather than class 10, if their capital cost exceeds $30,000 (excluding taxes). Each vehicle of this type must be included in a separate class.

When a passenger vehicle is disposed of, there is no CCA recapture or terminal loss. The partnership can, however, deduct one half of the amount of CCA it would have been entitled to deduct had it not disposed of the vehicle in the year.

NOTE
Class 54 vehicles cannot be included in class 10.1.

Leasehold improvements (class 13)

The capital cost of leasehold improvements incurred in a fiscal period for leased property is considered a unit of capital cost. The capital cost incurred in a subsequent fiscal period for the same property represents another unit of capital cost. Each unit is included in the same class, but requires a separate CCA calculation.

For each unit of capital cost that is **not** AIIP, the maximum CCA for a year corresponds to one of the following amounts, whichever is **less**:

- 1/5 of the unit of capital cost;
- the unit of capital cost divided by the number of 12-month periods (not exceeding 40 periods) included between the start of the fiscal period in which the capital cost was incurred and the day on which the lease is to end (or, if the lessee can renew the lease, the day on which the first renewal must end).

For the fiscal period in which the unit is available for use, the maximum CCA must be reduced by half (under a rule similar to the half-year rule).

A partnership that incurs in a fiscal period a unit of capital cost that is AIIP can claim 200% of the CCA that it would otherwise be able to claim for the fiscal period for a unit that is not AIIP if the half-year rule did not apply.

For example, if the CCA the partnership can claim for a unit of capital cost for the fiscal period is $5,000 (half of $10,000), the CCA for the fiscal period is grossed up to $15,000.

In all cases, the amount of CCA for **all** units of capital cost cannot exceed the UCC for class 13 property.

NOTE

If the capital cost of AIIP is incurred after 2023:

- the CCA cannot be grossed up;
- the rule similar to the half-year rule remains suspended for capital costs incurred before 2028.

Patents, concessions or licences for a limited period (class 14)

If a partnership that acquires class 14 property that is AIIP but **not** qualified intellectual property (see the definition on page 46) and the property is available for use in the fiscal period, the partnership can claim 50% of the CCA it could otherwise claim for the fiscal period for property that is not AIIP (hereinafter "regular CCA").

The regular CCA is the amount obtained by dividing the capital cost of the property by its expected useful life.

For example, if the regular CCA is $6,000, the CCA related to the property for the fiscal period is $9,000. The amount you enter in column J must not exceed the UCC for the class before the CCA for the fiscal period.

NOTE

For AIIP available for use after 2023, but before 2028, the gross-up rate for the fiscal period during which the property is available for use will decrease from 50% to 25%.

You must include all **qualified intellectual property that is AIIP** that the partnership acquired in a separate class 14. To calculate the gross-up of regular CCA, **subtract** the regular CCA from the capital cost of the property. The CCA for the property for the fiscal period can reach 100% of its capital cost.

For example, if the cost of property is $20,000 and the regular CCA is $4,000, the CCA for the property, for the fiscal period, is $20,000 (the amount of $4,000 to which $16,000 [$20,000 – $4,000] is added). The amount you enter in column J must not exceed the UCC of the class before the CCA for the fiscal period.

The partnership can claim an additional CCA for qualified intellectual property. For more information, refer to section 4.5.9.

NOTE

For AIIP available for use after 2023, but before 2028, the gross-up corresponds to 25% of the regular CCA for the fiscal period.

Incorporeal capital property (class 14.1)

This class includes:

- incorporeal capital property held by the partnership on January 1, 2017; and
- incorporeal capital property acquired on or after January 1, 2017.

The CCA rate for property in this class is 5%.

Property that is **qualified intellectual property** (see the definition on page 46) must be included in a separate class 14.1. The multiplier (column F.2.1) to be used to calculate the enhanced CCA is greater for qualified intellectual property. Also, the partnership can claim an additional CCA for such property. For more information, refer to section 4.5.9.

Additional CCA can be claimed with respect to the **UCC** of the property in this class on **January 1, 2017**.

Incorporeal capital property

Incorporeal property used in carrying on a business. Incorporeal capital property includes the following:

- goodwill;
- trademarks;
- list of customers;
- costs related to a reorganization or merger;
- patents, franchises, concessions or licences of unlimited duration (except those in class 12);
- government rights or permits.

NOTE

Certain incorporeal capital property is deemed to be acquired as goodwill (for example, costs related to a reorganization or merger). However, each business can only have a single goodwill. Therefore, the capital cost of a business's single goodwill is comprised of the costs of all incorporeal capital property that is goodwill (including deemed goodwill). This rule is used in the calculation of capital gains and CCA recapture upon the disposition of property, but is not used in the calculation of CCA.

Additional CCA with respect to the UCC of property on January 1, 2017

For a fiscal period ending before January 1, 2027, a partnership may be entitled to additional CCA corresponding to 2% of the UCC in class 14.1 at the beginning of January 1, 2017, **minus:**

- the total CCA (including additional CCA) with respect to class 14.1 for the previous years; and
- three times any amounts added to the UCC of class 14.1 following the disposition of incorporeal capital property that the partnership held on January 1, 2017.

If the total CCA (including additional CCA) for the fiscal period is less than $500, the additional CCA can be increased so that the partnership can claim a total CCA of $500 with respect to class 14.1. However, the additional allowance cannot exceed the UCC of the property in class 14.1 on January 1, 2017, **minus** the additional allowances in previous years.

Enter in column J the total CCA (including additional CCA) that the partnership is claiming with respect to the property in class 14.1.

Manufacturing and processing equipment and machinery (class 43, 29 or 53)

As a rule, manufacturing and processing equipment and machinery are included in class 43 property and are eligible for a CCA rate of 30%.

However, any such property acquired before 2016 can be included in class 29, in which case it is eligible for a CCA rate of 50% using the straight-line depreciation method.

Property acquired after 2015 but before 2026 can be included in class 53, in which case it is eligible for a CCA rate of 50% using the declining-balance method.

A partnership that acquires property for use in manufacturing and processing activities in Québec can, under certain conditions, claim:

- a temporary additional CCA of 35% or 60%, if the property was acquired **before December 4, 2018**;
- a permanent additional CCA of 30%, if the property was acquired **after December 3, 2018**.

Property for which the **permanent additional CCA of 30%** can be claimed must be grouped in a **separate class 53**. The multiplier (column F.2.1) used to calculate the enhanced CCA is greater for such property.

For more information, refer to sections 4.5.8 and 4.5.9.
130R45–130R48

Clean energy generation equipment and energy conservation equipment (classes 43.1 and 43.2)

Clean energy generation equipment and energy conservation equipment acquired after March 3, 2010, is included in class 43.1 or, under certain conditions, in class 43.2. This equipment includes the following:

- pumped hydroelectric storage equipment;
- active solar heating equipment and ground-source heat pump systems;
- small-scale hydroelectric installations;
- wind energy conversion systems;
- electric vehicle charging equipment acquired after March 21, 2016;
- geothermal electrical generation equipment;
- geothermal heat production equipment acquired after March 21, 2017;
- equipment used to dispense hydrogen for use in hydrogen-powered automotive equipment and vehicles.

Class 43.1 property **acquired after December 3, 2018**, for which an additional CCA of 30% can be claimed (refer to section 4.5.9) must be grouped in a separate class 43.1.

Similarly, class 43.2 property **acquired after December 3, 2018**, for which an additional CCA of 30% can be claimed must be grouped in a separate class 43.2.

> NOTE
> Class 43.2 will be eliminated for property acquired **after December 31, 2024**.

Patent or right to use patented information (class 44)

Class 44 property that is **qualified intellectual property** (see the definition on page 46) must be included in a separate class 44. The multiplier (column F.2.1) used to calculate the enhanced CCA is greater for qualified intellectual property.

The partnership can claim an additional CCA for qualified intellectual property. For more information, refer to section 4.5.9.

Computer equipment (class 50)

General-purpose electronic data processing equipment (computer) and systems software for that equipment, including ancillary data processing equipment, is included in class 50 and is eligible for a CCA rate of 55%.

A partnership that acquires property constituting computer equipment can, under certain conditions, claim:

- a temporary additional CCA of 35% or 60%, if the property is acquired **before December 4, 2018**;
- a permanent additional deduction of 30%, if the property is acquired **after December 3, 2018**.

Property in this class for which the **permanent additional CCA of 30%** can be claimed must be grouped in a **separate class 50**. The multiplier (column F.2.1) used to calculate the enhanced CCA is greater for such property.

For more information, refer to sections 4.5.8 and 4.5.9.

Zero-emission vehicles (classes 54 and 55)

Zero-emission vehicles acquired and available for use after March 18, 2019, but before 2028, that would have been included in class 10 or class 10.1 had they been acquired before March 19, 2019, are class 54 property for which CCA at a rate of 30% can be claimed.

The capital cost of a vehicle in class 54 must not exceed $55,000. However, a special rule applies on the sale of a vehicle subject to this limit. Under this rule, the proceeds of disposition is adjusted based on the ratio between the $55,000 limit and the actual cost of the vehicle, which is subject to certain adjustments.

Zero-emission vehicles acquired and available for use after March 18, 2019, but before 2028, that would have been included in class 16 or class 18 had they been acquired before March 19, 2019, are class 55 property for which CCA at the rate of 40% can be claimed.

A partnership can choose to include a zero-emission vehicle in class 10, 10.1, 16 or 18, and forgo having the property treated as class 54 or 55 property.

The term "zero-emission vehicle" means a motor vehicle that is entirely electric, a plug-in hybrid equipped with a battery of at least 7 kWh or a hydrogen vehicle, that meets certain conditions, including the following:

- If the vehicle was acquired before March 2, 2020, and had not been used, or acquired for use, for any purpose before it was acquired by the partnership.
- The vehicle is not a vehicle in respect of which the partnership has received financial assistance from the Government of Canada.

130a; 130R1, 130R3, 130R22, 130R23, 130R127

Zero-emission automotive equipment (class 56)

Class 56 includes automotive equipment, except motor vehicles, that is **fully** electric or **fully** powered by hydrogen and is acquired and becomes available for use after March 1, 2020, and before 2028.

The cost of additions and modifications made by the partnership to convert automotive equipment (except motor vehicles) to run on 100% electric or hydrogen power may, under certain conditions, be included in class 56.

Class 56 property must meet the same conditions as AIIP (see the definition on page 48), even if it is not considered as accelerated investment incentive property.

The CCA rate for class 56 is 30%.

A partnership can elect to include a zero-emission vehicle or zero-emission automotive equipment in another class if the vehicle or equipment meets the requirements of the other class and in so doing renounce any tax treatment as class 56 property for the vehicle or equipment.

4.3 Schedule D – Member Corporations' Shares of Paid-Up Capital

Schedule D is to be completed by a partnership whose members include one or more corporations.

This schedule must contain the information that a member corporation has to use to calculate its paid-up capital in order to determine its eligibility for certain financial assistance measures (for example, the small business deduction) and calculate the amount of assistance to which it is entitled.

In **Part 1**, you must enter the amount of the partnership's debts.

In **Part 2**, you must enter the value of the partnership's qualified property for which a reduction of the paid-up capital can be claimed by a member corporation.

Enter on line 359 any amount receivable from another corporation (other than a financial institution):

- if, at the end of the fiscal period, the amount has been outstanding for more than six months; or
- if the payment of the amount is secured, in whole or in part, by property belonging to the other corporation (do not take into account a debt that has been outstanding for six months or less and that is either an account receivable for the sale of property or the provision of a service, or a tax receivable respecting the disposition of property or the provision of a service, in a situation where the sale or the provision gives rise to an account receivable or an account that would be an account receivable if the consideration for the disposition or the provision were outstanding).

In **Part 3**, you must enter the items that make up the partnership's assets. Use Part 2 to calculate the reduction of paid-up capital.

In **Part 4**, you must enter in column B each member corporation's share (calculated on the basis of the percentage interest) of the partnership's income (or loss), as well as each member corporation's share of the partnership's debts, qualified property and total assets.
1136(3), 1138

4.4 Schedule E – Summary of Certain Information to Enter on RL-15 Slips

4.4.1 Resource expenses incurred by operating partnerships

Complete Part 1 of Schedule E if the partnership directly incurred resource expenses as an operating partnership or as a member of an operating partnership. Enter in boxes 28 through 35 the aggregate of the amounts entered in boxes 28 through 35 of all the RL-15 slips that the partnership filed.

For resource expenses that the partnership is deemed to have incurred further to an investment in flow-through shares, complete Part 4 of Schedule E.

4.4.2 Tax credit

Part 2 of Schedule E must be completed by an operating partnership that incurred eligible expenses that may entitle certain of its members to one of the following tax credits:

- the tax credit relating to resources (form CO-1029.8.36.EM);
- the tax credit for investment (form CO-1029.8.36.IN);
- the tax credit for salaries and wages (R&D) (form RD-1029.7-V).

You must first complete the applicable tax credit application form. Complete **only** the parts of the form concerning the information you must enter in Part 2 of Schedule E. Enclose the form with the partnership information return.

If the members of a partnership are entitled to more than one tax credit, complete a **separate copy of Schedule E** for each tax credit.

You may have to complete several copies of a tax credit application form (for example, you may have to complete several copies of form CO-1029.8.36.IN). If this is the case, you must also complete a **separate copy of Schedule E** for each copy of the tax credit form in question.

Tax credit relating to resources

If a partnership incurs eligible expenses in a fiscal period, has an establishment in Québec and carries on a business in Québec, a member that is a qualified corporation can claim the tax credit relating to resources for its share of the partnership's eligible expenses for the taxation year in which the partnership's fiscal period ends.

Eligible expenses for a fiscal period are all the expenses the partnership incurred in that period that are attributable to certain Canadian exploration expenses that are related to mining, petroleum or gas resources and incurred in Québec, and to:

- certain Canadian development expenses incurred in Québec;
- expenses relating to natural resources (granite, sandstone, limestone, marble and slate), where the resources are used for the production of dimension stones, cemetery monuments, building stones, paving stones, curbing or roof tiles; and
- Canadian renewable and conservation expenses that are incurred in Québec.

If a development corporation issued flow-through shares and renounced the eligible expenses it incurred in favour of its investors, the expenses are not eligible expenses for the purpose of the tax credit relating to resources.
1029.8.36.167

Table 5 shows the rates for the tax credit relating to resources.

TABLE 5 Rates for the tax credit relating to resources

Type of resource for which eligible expenses were incurred	Tax credit rate	
	Partnership that does not operate a mineral resource or an oil or gas well	Other partnership
Mineral resources in the Far North and Near North	38.75%	18.75%
Oil and gas resources in the Far North and Near North	31%	15%
Mineral, oil and gas resources elsewhere in Québec	28%	12%
Renewable energy and energy conservation in Québec	28%	24%
Other natural resources in Québec	12%	12%

Each corporation that is a member of the partnership must complete form CO-1029.8.36.EM, *Crédit d'impôt relatif aux ressources*, and enclose the form with its return to claim its share of the tax credit.

Tax credit for investment

A qualified corporation that is a member of a partnership that incurred eligible expenses for the acquisition of qualified property during the fiscal period covered by the return or a previous fiscal period can claim a tax credit for investment for the taxation year in which the partnership's fiscal period ends.

The basic rate of the tax credit is 4% for eligible expenses incurred after December 31, 2019, but before January 1, 2023, to acquire qualified property for use primarily in a remote zone, in the eastern part of the Bas-Saint-Laurent region or in an intermediate zone.

These rates may be increased if a partnership's paid-up capital is less than $500 million. See the paragraph "Increase and temporary additional increase in the basic rate of the tax credit" on page 61.

Eligible expenses

For a fiscal period, expenses included in the capital cost of the property that, among other things, were:

- **incurred and paid** during the fiscal period concerned;
- **incurred** during the fiscal period concerned and paid within 18 months of the end of that period; or
- **incurred** during a previous fiscal period during which the partnership was a qualified partnership and the expenses represent the amount by which the expenses **paid** during the fiscal period concerned exceed the portion of these expenses that member corporations took into account to determine their tax credit for a taxation year preceding the taxation year in which the fiscal period ends.

Qualified property

Property acquired before January 1, 2023, that:

- belongs to class 29, class 43 or class 53 (manufacturing or processing equipment);
- would have belonged to class 43, if this class referred to smelting, refining and hydrometallurgy activities involving ore (other than ore from a gold or silver mine) extracted from a mineral source **located in Canada**;
- belongs to class 50 and is used primarily in the manufacturing or processing of goods for sale or lease.

The qualified property must also meet all of the following conditions:

- It is not used in operating a factory that produces ethanol or cellulosic ethanol.
- It is new property used solely in Québec and mainly in the course of carrying on a business, other than a recognized business that carried out or that is carrying out a large investment project.
- The partnership began to use the property within a reasonable time after acquiring it.
- The partnership uses the property a minimum of 730 consecutive days following the day the property is first put to use, except in the case of loss, major breakdown or involuntary destruction by fire, theft or water.

Property, other than property acquired to be used mainly in a remote zone, in the eastern part of the Bas-Saint-Laurent region or in an intermediate zone, is considered qualified property only if it is acquired after August 15, 2018, but before January 1, 2021.

Excluded expense amount

A corporation claiming the tax credit as a member of a partnership must subtract the excluded expense amount from the eligible expenses incurred by the partnership for the acquisition of property.

The excluded expense amount is equal to the **lesser** of the following amounts:

- the amount of eligible expenses incurred for the property for the fiscal period;
- the amount by which the applicable exclusion threshold amount exceeds the total of the excluded expense amounts related to the property for previous fiscal periods, where applicable.

As a rule, the exclusion threshold amount related to a qualified property is $12,500. However, if the partnership acquired the property as part of a joint venture, the exclusion threshold will be calculated on the basis of the partnership's share in the joint venture.

Note that subtracting the excluded expense amount from the eligible expenses related to a qualified property of a partnership will have no effect on the calculation of a member corporation's cumulative eligible expense limit balance.

Increase and temporary additional increase in the basic rate of the tax credit

If a partnership's paid-up capital for the previous fiscal period, calculated on a consolidated basis, is $250 million or less, the rate of the tax credit is increased. Moreover, if a partnership meets this condition and more than 50% of its activities consist of metal processing, the partnership is granted a temporary additional increase in the rate of the tax credit for the eligible expenses it has incurred.

If the corporation's paid-up capital for the previous fiscal period is between $250 million and $500 million, the increased rate (including the temporary additional increase) is reduced linearly. If the paid-up capital is $500 million or more, the basic rate is not increased.

NOTE

The paid-up capital must be calculated as if the partnership is a corporation. If the partnership is a member of an associated group, its paid-up capital must be calculated by including the paid-up capital of each of the members of the group, as well as corporations deemed to be members, in accordance with section 737.18.20 of the *Taxation Act*.

Table 6 shows the increased rate that applies to each region. Note that the terms "remote zone" ("zone éloignée"), "eastern part of the Bas-Saint-Laurent region" ("partie est de la région du Bas-Saint-Laurent") and "intermediate zone" ("zone intermédiaire") used in the table are defined in the *Guide de la déclaration de revenus des sociétés* (CO-17.G), in the instructions for lines 440p through 440y, under code 85, as well as in form CO-1029.8.36.IN, *Crédit d'impôt pour investissement*.

TABLE 6 Maximum increased tax credit rate that applies to each region

Region or zone	**Maximum increased rate (paid-up capital $250 million or less)**		
	Expenses incurred after December 31, 2016, but before August 16, 2018	Expenses incurred after August 15, 2018, but before January 1, 2020	Expenses incurred after December 31, 2019, but before January 1, 2023
Remote zone	24%	40%[1]	24%
Eastern part of the Bas-Saint-Laurent region	16%	30%[2]	16%
Intermediate zone	8%	20%[3]	8%
Other regions	0%	10%[4]	0%

Cumulative limit of $75 million

Eligible expenses incurred for the acquisition of qualified property that entitle a member corporation to the tax credit at the increased rate or to a refund of a portion of the credit are subject to the cumulative limit of $75 million.

Election for the tax credit for investment

A corporation that is a member of a partnership that has acquired property considered to be **qualified property** for the purposes of the **tax credit for investment** and **specified property** for the purposes of the **tax credit for investment and innovation** can elect, for the taxation year ended in the first fiscal period during which the partnership incurred expenses for the acquisition of this property, to have the property considered qualified property rather than specified property.

However, such an election cannot be made for a taxation year if the corporation has claimed the tax credit for investment and innovation for that taxation year or a prior taxation year.

If the corporation elects to claim the tax credit for investment, you must check the appropriate box on form CO-1029.8.36.IN, *Crédit d'impôt pour investissement*.

Each corporation that is a member of the partnership must complete form CO-1029.8.36.IN, *Crédit d'impôt pour investissement*, and enclose the form with its return to claim its share of the tax credit.

1. This rate increases to 45% if the temporary additional increase for businesses in the metal processing sector is applicable.
2. This rate increases to 35% if the temporary additional increase for businesses in the metal processing sector is applicable.
3. This rate increases to 25% if the temporary additional increase for businesses in the metal processing sector is applicable.
4. This rate increases to 20% if the temporary additional increase for businesses in the metal processing sector is applicable.

Tax credit for salaries and wages (R&D)

If, in its fiscal period, a partnership carries on a business in Canada and undertakes scientific research and experimental development (R&D) work in Québec or causes such work to be undertaken in Québec on its behalf, the partnership's members can claim a **tax credit for salaries and wages (R&D)** for their taxation year that ends in the partnership's taxation year.

Amount of reducible expenditures

A partnership must subtract the amount of reducible expenditures from the salaries, wages or consideration it paid for R&D work.

The amount of reducible expenditures is equal to the **lesser** of the following amounts:

- the member's share of the applicable exclusion threshold amount;
- the member's share in the total reducible expenditures incurred by the partnership in its fiscal period.

Reducible expenditures

All of the expenditures incurred in the fiscal period that are:

- salaries, wages or consideration for the tax credit for salaries and wages (R&D);
- qualified expenditures for the tax credit for university research or research carried out by a public research centre or a research consortium;
- qualified expenditures for the tax credit for private partnership pre-competitive research;
- qualified fees for the tax credit for fees and dues paid to a research consortium.

As a rule, the amount of the exclusion threshold for a fiscal period is $50,000. It is linearly increased if the total assets of the partnership for the previous fiscal period are between $50 and $75 million. It is $225,000 if the partnership's total assets for the previous fiscal period are $75 million or more.

Rate of the tax credit

The rate of the tax credit for salaries and wages (R&D) is 14%.

Each member of the partnership must complete form RD-1029.7-V, *Tax Credit for Salaries and Wages (R&D)*, and enclose the form with their return to claim their share of the tax credit.
1029.8, 1029.8.19.8, 1029.8.19.9, 1029.8.19.14

Interposed partnerships

An interposed partnership (see the definition in section 1.3.1) must provide its members with the same information it obtained from another partnership of which it is a member.

For example, if the eligible amount of the operating partnership is $1 million and corporation X is a member of a partnership that is a member of another partnership that is a member of the operating partnership, the operating partnership and each of the interposed partnerships must produce RL-15 slips indicating the same eligible amount of $1 million. Corporation X can use the RL-15 slip to calculate the tax credit on the basis of the eligible amount provided by the operating partnership. The corporation simply enters the amount of $1 million on its tax credit application form, taking into account the instructions provided in the document *RL-15 Slip: Amounts Allocated to the Members of a Partnership* (courtesy translation RL-15.EX-T).

Consequently, the instructions for boxes 70 through 76 do not apply to an interposed partnership.
1029.6.0.1.8.3, 1029.6.0.1.8.4

Box 70 Tax credit code

Enter the code corresponding to the tax credit for which you are entering an eligible amount in box 71.

TABLE 7 Tax credit codes

1	Tax credit relating to resources
2	Tax credit for investment
3	Tax credit for salaries and wages (R&D)

1029.8, 1029.8.36.166.44, 1029.8.36.169, 1029.8.36.171

Box 71 Eligible amount

The eligible amount corresponds to one of the following amounts (as applicable):

- in the case of the tax credit relating to resources, the amount of the partnership's eligible expenses calculated on line 12, 12g, 19, 19g, 26 or 33 of form CO-1029.8.36.EM;
- in the case of the tax credit for investment, the amount of the partnership's eligible expenses calculated on line 20 of form CO-1029.8.36.IN;
- in the case of the tax credit for salaries and wages (R&D), the amount of the partnership's qualified expenditures calculated on line 155 of form RD-1029.7-V.

The applicable limits and restrictions are taken into account in the calculation of the eligible amount of each tax credit. This amount must be reduced by any amount of assistance, benefit or advantage received with respect to the partnership's eligible expenses or qualified expenditures.

Box 72 Region or RCM code

For purposes of the tax credit for investment, enter the code corresponding to the region or regional county municipality (RCM) in which the partnership acquired qualified property. The same code is entered on line 09 of form CO-1029.8.36.IN.

Box 73 Expense code

For purposes of the tax credit relating to resources, enter the code corresponding to the net amount of eligible exploration expenses entered in box 71. The same code is entered on lines 12, 12g, 19, 19g, 26 and 33 of form CO-1029.8.36.EM.

TABLE 8 Eligible exploration expense codes

A.1 or B.1	Mining exploration expenses in the Near North and the Far North
A.2 or B.2	Mining exploration expenses elsewhere in Québec
A11 or B11	Oil or gas exploration expenses in the Near North and the Far North
A 21 or B21	Oil or gas exploration expenses elsewhere in Québec
C	Expenses relating to natural resources in Québec
D	Renewable and conservation expenses in Québec

You must also complete a **separate copy of Schedule E** if, on form CO-1029.8.36.EM, the partnership entered more than one code for resource expenses.

Box 75 Date the property was acquired

For purposes of the tax credit for investment, enter the date on which the property was acquired.

Box 76 Date the property was used

For purposes of the tax credit for investment, enter the date on which the property started being used.

Assistance, benefits or advantages received

The partnership may have incurred expenses that entitle its members to a tax credit (most of these tax credits are described in sections 4.4.2 and 4.4.5).

If, during the fiscal period covered by the return, the partnership repaid an amount of assistance, a benefit or an advantage that was previously used to reduce the amount of such expenses for the purpose of calculating the tax credit (that is, expenses from a previous fiscal period were reduced by the assistance, benefit or advantage), the repayment must be added to the amount of the expenses from the fiscal period covered that give entitlement to the tax credit.

If the partnership receives assistance, a benefit or an advantage for the expenses after its members have obtained the tax credit, the members must pay a special tax for the year in which the partnership received the assistance, benefit or advantage.

> NOTE
> The federal investment tax credit for the creation of apprenticeship jobs does not constitute assistance, a benefit or an advantage that can reduce the expenditures giving entitlement to the Québec tax credit for an on-the-job training period. Consequently, the above-mentioned rules do not apply if a partnership receives or repays the federal tax credit.

1029.6.0.0.1 (2nd par., subpar. (b.1))

Other tax credits

The partnership may have incurred expenses that entitle its members to tax credits other than those mentioned in the instructions for box 70. See section 4.4.5.

4.4.3 Tax shelter

Partnership that is a tax shelter

Complete Part 3 of Schedule E if, during the fiscal period, an individual resident in Québec acquired an interest in the partnership and the interest constitutes a tax shelter. All interests with the same tax shelter identification number that were acquired during the fiscal period by individuals resident in Québec must be reported on the same schedule.

> NOTE
> Any partner who wishes to deduct a loss or claim a deduction or a tax credit respecting a tax shelter must file a duly completed copy of form TP-1079.6-V, *Statement of Losses, Deductions and Tax Credits Respecting a Tax Shelter*.

Tax shelter

The term "tax shelter" means property (including a right to income) for which, based on statements and representations relating to this property, it is reasonable to consider that, at the end of any taxation year ending in the four years following the date on which an interest in the property is acquired, the aggregate of the following amounts will be equal to or more than the cost of the property at the end of the year:

- the amount or, in the case of an interest in a partnership, the loss (including the amount or the loss related to the right to income) that the person who acquired an interest in the property is entitled to deduct in the taxation year or in a previous taxation year;
- any other amount related to the interest in the property that the person is entitled to deduct when calculating the income, taxable income or income tax payable and any amount deemed to have been paid as an instalment of income tax payable of the person.

The cost of the interest in the property is reduced by the amount of prescribed benefits that may be received or enjoyed, directly or indirectly, by the recipient or by a person with whom the recipient is not dealing at arm's length.

A tax shelter can also be a gifting arrangement under which, given the statements or representations made or proposed to be made in connection with this arrangement, it is reasonable to assume that one of the following situations would be possible:

- the person who acquired the property under the terms of the arrangement will donate the property as a gift to a qualified donee or as a contribution to an authorized Québec political party and, for the taxation years that end in the four years after the date of the arrangement, the total of the amounts deductible from the person's income, taxable income, income tax payable or any amount deemed to be an instalment of income tax payable is equal to or more than the cost of the property minus the prescribed benefits;
- the person who entered into the arrangement incurs a limited-recourse debt relating to a gift made to a qualified donee or a contribution made to an authorized Québec political party.

Prescribed benefits include federal tax credits, revenue guarantees, contingent liabilities, and exchange and conversion rights.

The following types of property are not considered tax shelters:

- flow-through shares;
- registered pension plans (RPP);
- registered retirement savings plans (RRSP);
- deferred profit-sharing plans (DPSP);
- registered retirement income funds (RRIF);
- registered education savings plans (RESP);
- shares in venture capital corporations (Québec business investment companies [QBIC], the Fédération des travailleurs et travailleuses du Québec [FTQ] and the Confédération des syndicats nationaux [CSN]);
- shares or securities eligible for the Stock Savings Plan II (SSP II);
- securities eligible for the Cooperative Investment Plan (CIP);
- Capital régional et coopératif Desjardins shares.

NOTE

The term "limited-recourse debt" refers to a limited-recourse amount (see the definition in box 53) or a secured debt, bonded debt or other similar secured liability. For further information on the restrictions that apply to a gifting arrangement, contact us.

1079.1–1079.6.1

Obligation to provide information

A tax shelter promoter that accepts consideration at a particular time in a calendar year from an individual resident in Québec at that time, or acts as a mandatary with respect to such an acceptance, must file an RL-14 slip in the name of the individual (referred to as the "investor" on the slip) and the RL-14 summary. These documents must be filed by the last day of February of the following year.

If the partnership is a tax shelter and is required to file the *Partnership Information Return* (form TP-600-V) and RL-15 slips, it does not have to file RL-14 slips or the RL-14 summary where it files the return and the RL-15 slips by the prescribed deadline (see section 1.3.1). All the information on the RL-14 slips and the RL-14 summary is **included** on the RL-15 slip and in Schedule E (Part 3) of the return.

> NOTE
>
> If the partnership fails to comply with our request to file an RL-14 slip (or an RL-15 slip, as applicable) for an individual that acquired a share in a tax shelter, or fails to provide the amount paid by the individual for the share or any required information about the individual on such a slip, the partnership is liable to a penalty equal to:
>
> - 25% of any consideration received or to be received from the individual; or
> - 25% of the value of the property that the individual could donate to a qualified donee where the tax shelter is a gifting arrangement.

1079.7, 1079.7.1, 1079.7.4.1

Extended time period for issuing a reassessment to a tax shelter investor

Normally, we have three years from the later of the following dates to issue a reassessment for the taxpayer's taxation year:

- the date on which the original notice of assessment or notice that no income tax is payable for the taxation year was sent;
- the date on which the income tax return is filed for the taxation year.

The prescribed time period for issuing a reassessment or an additional assessment is extended by three years with regard to an individual who invested in a tax shelter while that person was resident in Québec, if the tax shelter promoter:

- did not file an RL-14 slip or an RL-15 slip, as applicable, for the individual within the prescribed time period;
- failed to file an RL-14 slip or an RL-15 slip.

The extended time period ends three years after the date on which the RL-14 slip or RL-15 slip, as applicable, was duly filed.

1010(2) (par. (a.2))

Line 01c Tax shelter identification number

Enter the tax shelter's identification number on line 01c.

Before issuing or selling an interest in a tax shelter or accepting consideration in respect of a tax shelter, the partnership, as the promoter, must apply for an identification number using form TP-1079.2-V, *Application for a Tax Shelter Identification Number and Undertaking to Keep Registers*, unless an application has already been filed by another promoter for the same tax shelter.

The fact that an identification number has been assigned does not confirm that an investor is entitled to claim tax benefits related to the tax shelter.

> NOTE
>
> If we assign an identification number to a tax shelter further to an application, we also indicate the calendar year to which the number applies. Consequently, the partnership must issue or sell shares in the tax shelter, or accept consideration related to the tax shelter, within that calendar year. The partnership will have to obtain a new identification number in order to issue or sell shares in the tax shelter or accept consideration related to the tax shelter in a subsequent calendar year.

Line 30c Tax shelter's principal business activity code

Enter on line 30c the code corresponding most closely **to the principal business activity** of the partnership that is a tax shelter. Choose from the following codes:

TABLE 9 Business activity codes

Code	Description
01	Charters and rentals
02	Films, videos and other recordings
03	Franchising
04	Hotels and motels
05	Manufacturing
06	Real estate development and sales
07	Recreation
08	Real estate rentals
09	Research and development
10	Mutual fund limited partnership
11	Seismic data collection
12	Software
13	Farming
14	Mining
15	Oil and gas exploration (other than seismic)
16	Other

Lines 30d and 30e Income (or losses) from the tax shelter

Enter on line 30d the gross income (or losses) and on line 30e the net income (or losses) from a partnership that is a tax shelter.

Line 35

Boxes 1, 3, 5, 15a, 19 and 52

Enter in boxes 1, 3, 5, 15a, 19 and 52 the requested information about the fiscal period of the partnership that is a tax shelter.

Box 53 Limited-recourse amount

Enter in box 53 the amount of the unpaid principal of the indebtedness of all members of the partnership (and, where applicable, of the persons not dealing at arm's length with the members) that can reasonably be considered to be related to the tax shelter, for which recourse against one of the members of the partnership is limited.

Limited-recourse amount

The term "limited-recourse amount" means the unpaid principal of a taxpayer's indebtedness for which recourse is limited, either immediately or in the future and either absolutely or contingently.

In the case of a partnership, it is the unpaid principal amount of indebtedness for which recourse against one of the members of the partnership is limited, either immediately or in the future and either absolutely or contingently.

Box 54 At-risk adjustment

Enter in box 54 the total amount that the partners (and, where applicable, the persons not dealing at arm's length with the partners) are entitled to receive, including the value of any benefit they are entitled to receive.

At-risk adjustment

The term "at-risk adjustment" means any amount or benefit that a taxpayer (or another taxpayer not dealing at arm's length with the taxpayer) is entitled to receive, either immediately or in the future and either absolutely or contingently, whether by way of reimbursement, compensation, revenue guarantee, proceeds of disposition, loan or any other form of indebtedness, or in any other form in order to eliminate or reduce the impact of any loss from an expenditure or, where the expenditure is the cost or capital cost of property, to reduce the impact of any loss from the holding or disposition of the property.

NOTE
Any amount owed to a tax shelter promoter or a person not dealing at arm's length with the promoter is considered a benefit.

Box 55 Other indirect reductions

Enter any other limited-recourse amount or at-risk adjustment of other taxpayers who hold, whether directly or indirectly, an interest in the partnership.

4.4.4 Flow-through shares

Complete Part 4 of Schedule E if the partnership invested in flow-through shares directly or through another partnership and, as applicable, it must:

- allocate to its members exploration and development expenses, share issue expenses or amounts of assistance renounced in its favour by a development corporation;
- correct the exploration and development expenses that it allocated previously; or
- allocate security issue expenses renounced in favour of a member that is an individual or a partnership of which an individual is a member. The renunciation, which is made on form CO-726.4.17.15, *Sommaire de la renonciation à certains frais d'émission relatifs aux ressources québécoises*, is possible only if the proceeds from the security issue were used to acquire flow-through shares.

If the information about exploration and development expenses or share issue expenses is not provided, the partnership is deemed not to have incurred the expenses; if the partnership omits to report amounts of assistance, it is deemed not to have incurred the portion of the expenses related to the amounts of assistance. In either case, the members of the partnership will not be able to deduct their share of the expenses in question.

Flow-through share

A share issued to an investor by a development corporation in accordance with a written agreement under which the corporation renounces its exploration or development expenses in favour of the investor, up to the amount of the consideration paid by the investor to acquire the share.

Effective date

The **effective date** is the date on which the renunciation is made by a development corporation. Enter, as applicable, either the effective date shown on the RL-11 slip that the partnership received from a development corporation, or the end date of the fiscal period entered on the RL-15 slip received from another partnership (one that invested in flow-through shares and in which the partnership holds an interest).

Identification number

Enter the identification number shown on the RL-11 slip that the partnership received from a development corporation or on the RL-15 slip received from another partnership.

False statements or failure to report an amount of assistance

A partnership that knowingly, or in circumstances amounting to gross negligence, makes a false statement or an omission respecting an amount of assistance is liable to a penalty equal to 25% of the amount.

RL-15 slips

The partnership must indicate on the RL-15 slips:

- the amounts allocated to its members as:
  - Canadian exploration and development expenses and share issue expenses, that is, expenses renounced by a development corporation in favour of the partnership, or expenses allocated to the partnership by another partnership of which it is a member,
  - amounts of financial assistance that, as the mandatary of its members or former members, the partnership received or was entitled to receive for these expenses;
- the revised amounts of expenses previously allocated, where applicable.

Since its members may be eligible to claim certain benefits specific to Québec exploration expenses, the partnership must also provide information pertaining to such expenses on the RL-15 slips.

The partnership must also enter on the RL-15 slips the security issue expenses it renounced in favour of one of its members, if the member is an individual or a partnership one of whose members is an individual. The renunciation, made on form CO-726.4.17.15, *Sommaire de la renonciation à certains frais d'émission relatifs aux ressources québécoises*, is possible only if the proceeds of the security issue were used to acquire flow-through shares.
359.11, 359.11.1, 600(d), 726.4.17.13; 1086R43, 1086R44

Late filing of required documents

Schedule E and the RL-15 slips respecting the allocation of exploration and development expenses and amounts of assistance will be accepted and deemed to have been filed within the prescribed time period if the following conditions are met:

- The documents are filed:
  - by the 90th day after the end of the time allowed; or
  - after that date, if we consider that the circumstances are such that it would be just and equitable to permit the documents to be filed.
- The partnership includes payment of the penalty indicated below.

The penalty is equal to the median of the following three amounts:

- $100;
- $15,000; and
- 0.25% of the expenses or amounts of assistance concerned.

Enter the amount of the penalty in the appropriate space on Schedule E.
359.11, 359.11.1, 359.12.1, 359.12.2, 1049.0.1.1

4.4.5 Other tax credits

A partnership may have incurred expenses that entitle its members to tax credits other than those mentioned in the instructions for box 70. Table 10 lists these credits and the forms that a partnership member must complete to claim them. For more information about one of these credits, refer to the corresponding form.

TABLE 10 Summary of other tax credits

The tax credits have been grouped by topic in the table below.

Credits marked with an asterisk (*) require certificates from government bodies to be claimed.

Technological adaptation and digital transformation

Title	Form number	Expenses giving entitlement to the credit (subject to certain conditions)	Members that are eligible for the credit	Legal reference
Tax credit for technological adaptation services	CO-1029.8.21.22	• Fees related to liaison and transfer services that are provided in Québec by an eligible centre • Fees for training and information activities that are offered in Québec by an eligible centre and related to liaison and transfer services	Corporations	1029.8.21.17 –1029.8.21.30

Agriculture

Title	Form number	Expenses giving entitlement to the credit (subject to certain conditions)	Members that are eligible for the credit	Legal reference
Tax credit for interest on a loan granted by a sellerlender and guaranteed by La Financière agricole du Québec	• TP-1029.8.36.VP if the member is a corporation • TP-1029.8.36.VP-V if the member is an individual	Interest on a loan granted by a seller-lender and guaranteed by La Financière agricole du Québec	Individuals and corporations	1029.8.36.53.20.1 –1029.8.36.53.20.9

Employment

Title	Form number	Expenses giving entitlement to the credit (subject to certain conditions)	Members that are eligible for the credit	Legal reference
Tax credit for small and medium-sized businesses to foster the retention of experienced workers	CO-1029.8.33.TE	Employer contributions for salary or wages paid to employees aged 60 or over	Corporations	1029.8.36.59.49 –1029.8.36.59.57
Tax credit for SMBs that employ persons with a severely limited capacity for employment	CO-1029.8.33.CS	Employer contributions for salary and wages paid to employees with a severely limited capacity for employment during a calendar year after 2019	Corporations	1029.8.36.59.58 – 1029.8.36.59.65

Design

Title	Form number	Expenses giving entitlement to the credit (subject to certain conditions)	Members that are eligible for the credit	Legal reference
Tax credit for a design activity carried out by an outside consultant*	CO-1029.8.36.5	• Cost of a contract entered into with an outside consultant who performs work in Québec • Wages paid by such a consultant to a qualified designer or a qualified patternmaker, as the case may be	Corporations	1029.8.36.4 –1029.8.36.26
Tax credit for an in-house design activity*	CO-1029.8.36.7	Wages paid to a qualified designer or a qualified patternmaker, as the case may be	Corporations	1029.8.36.4 –1029.8.36.26

Environment

Title	Form number	Expenses giving entitlement to the credit (subject to certain conditions)	Members that are eligible for the credit	Legal reference
Tax credit for the income tax paid by an environmental trust	• CO-1029.8.36.53 if the member is a corporation • CO-1029.8.36.53-V if the member is an individual	Income tax paid by the partnership as a beneficiary of an environmental trust	Individuals and corporations	1029.8.36.52 –1029.8.36.53

Training

Title	Form number	Expenses giving entitlement to the credit (subject to certain conditions)	Members that are eligible for the credit	Legal reference
Tax credit for an on-the-job training period*	• CO-1029.8.33.6 if the member is a corporation • TP-1029.8.33.6-V if the member is an individual	• Salary or wages paid to a student enrolled full time at a recognized educational institution • Salary or wages paid for an on-the-job training period to an apprentice enrolled in the Workplace Apprenticeship Program • Salary or wages paid to the trainee's supervisor	Individuals and corporations	1029.8.33.2 –1029.8.33.10
Employee training tax credit for small and medium-sized businesses	CO-1029.8.36.FO	Salary or wages paid to an employee attributable to eligible training provided by a recognized educational institution	Corporations	1029.8.33.11.21 –1029.8.33.11.29

Investment

Title	Form number	Expenses giving entitlement to the credit (subject to certain conditions)	Members that are eligible for the credit	Legal reference
Tax credit for investment and innovation	CO-1029.8.36.II	Capital expenditures incurred after March 10, 2020, to acquire manufacturing and processing equipment, general-purpose electronic data processing equipment and a qualified management software package	Corporations	1029.8.36.166.60.36–1029.8.36.166.60.65
Tax credit relating to information technology integration*	CO-1029.8.36.TI	Expenditures related to a qualified information technology integration contract	Corporations	1029.8.36.166.60.19–1029.8.36.166.60.35

Print media

Title	Form number	Expenses giving entitlement to the credit (subject to certain conditions)	Members that are eligible for the credit	Legal reference
Tax credit for the digital transformation of print media companies*	CO-1029.8.36.PR	• Wages paid to eligible employees that are attributable to digital conversion activities relating to an eligible medium • Expenditures related to an eligible digital conversion contract that are reasonably attributable to digital conversion activities relating to an eligible medium	Corporations	1029.8.36.0.3.88–1029.8.36.0.3.108
Tax credit to support print media companies*	CO-1029.8.36.PS	Salary or wages paid to eligible employees	Corporations	1029.8.36.0.3.109–1029.8.36.0.3.119

Scientific research and experimental development (R&D)

Title	Form number	Expenses giving entitlement to the credit (subject to certain conditions)	Members that are eligible for the credit	Legal reference
Tax credit for university research or research carried out by a public research centre or a research consortium	• RD-1029.8.6 if the member is a corporation • RD-1029.8.6-V if the member is an individual	Amounts paid to the research entity with which the partnership entered into a research contract for research carried out in Québec	Individuals and corporations	1029.8.1–1029.8.7
Tax credit for private partnership pre-competitive research*	• RD-1029.8.16.1 if the member is a corporation • RD-1029.8.16.1-V if the member is an individual	• Expenditures for R&D carried out in Québec by the partnership under a private partnership agreement • Amounts paid to a subcontractor for research carried out in Québec under a private partnership agreement	Individuals and corporations	1029.8.16.1.1 –1029.8.16.1.9
Tax credit for fees and dues paid to a research consortium	• RD-1029.8.9.03 if the member is a corporation • RD-1029.8.9.03-V if the member is an individual	Fees and dues paid to a research consortium that holds a certificate from the Ministère de l'Économie et de l'Innovation	Individuals and corporations	1029.8.9.0.2 –1029.8.9.0.4

Restaurants, bars and hotels

Title	Form number	Expenses giving entitlement to the credit (subject to certain conditions)	Members that are eligible for the credit	Legal reference
Tax credit for the reporting of tips	• CO-1029.8.33.13 if the member is a corporation • TP-1029.8.33.13-V if the member is an individual	Employer contributions and certain indemnities paid under the *Act respecting labour standards* that are attributable to tips	Individuals and corporations	1029.8.33.12 –1029.8.33.19

Transportation

Title	Form number	Expenses giving entitlement to the credit (subject to certain conditions)	Members that are eligible for the credit	Legal reference
Tax credit for taxi owners	• TP-1029.9 if the member is a corporation • TP-1029.9-V if the member is an individual	Credit of up to $594 for the 2021 calendar year calculated on taxi income	Individuals and corporations	1029.9 and 1029.9.2.1–1029.9.4

4.5 Schedule F – Net Income for Income Tax Purposes

Complete Schedule F to calculate the net income for income tax purposes of all the partners (line 94) and, if applicable, to apportion the net income between general partners (line 95) and specified members (line 100).

Enter all the elements that, under the *Taxation Act*, must be added to or subtracted from the net income (or net loss) shown in the financial statements.

A SIFT partnership must adjust certain income amounts before allocating them to its members (see the instructions on form TP-1129.71-V, *Income Tax Payable by a SIFT Partnership*).

4.5.1 Partnerships that carry on a farming or fishing business

If, during the fiscal period, the partnership operated a farming or fishing business and it **elected** in its information return submitted to the CRA to replace the accrual method of accounting by the cash method, enter the value of the accrual inventory at the start and the end of the fiscal period on lines 37 and 73, respectively.

Farming business

If a partnership elected to use the cash method of accounting and it **sustained a loss** from the operation of a farming business in a given fiscal period, it must include in its income an amount called the "mandatory inventory adjustment for the fiscal period." This amount is equal to the lesser of the following amounts:

- the amount of the loss;
- the value of the property purchased during the fiscal period and listed in the inventory at the end of the fiscal period.

Enter this amount on line 38 of the copy of Schedule F filed for that fiscal period.

Such a partnership can include in its income an amount called "optional inventory adjustment for the fiscal period," which is equal to the amount by which the value of the inventory at the end of the fiscal period exceeds the amount on line 38. Enter this amount on line 39 of Schedule F.

Deduct these adjustment amounts on lines 74 and 75 of the copy of Schedule F that will be filed for the following fiscal period.

194 (2nd par.)(b), 194 (2nd par.)(c), 194 (3rd par.)(b)

NOTE

If a partner's main source of income is neither farming nor a combination of farming and another source of income, the rules governing restricted farm losses apply to partners individually rather than to the partnership.

4.5.2 Deductible financing expenses

Deductible financing expenses are:

- any expenses incurred either to obtain a loan used to earn business or property income that is not tax-exempt income, or to contract a debt that constitutes an amount payable respecting property acquired to earn such an income;
- any expenses incurred in the course of rescheduling or restructuring a debt obligation or an assumption of a debt obligation, if the debt obligation is related to the loan or the debt in question.

The deductible amount of financing expenses for a given fiscal period is calculated on the basis of the ratio between the number of days in the fiscal period and 365. The amount is limited to 20% of the total expenses incurred during the fiscal period or a previous fiscal period. However, the deductible amount must not exceed the amount by which the total expenses incurred in the fiscal period or in a previous fiscal period exceed any deductible amount from a previous fiscal period.

Enter, on **line 17**, the financing expenses that were deducted in the financial statements and, on **line 65**, the financing expenses that are deductible.

No amount is deductible as financing expenses on line 65 if the partnership ceased to exist during the fiscal period. However, its members can deduct, for their taxation year that includes the time at which the partnership ceased to exist or for the following taxation year, their share in the amount that would otherwise be deductible for the partnership had it continued to exist.

147, 147.1, 147.2, 176, 176.1, 176.3

4.5.3 Resource expenses to be allocated to partners

The partnership cannot deduct resource expenses such as Canadian exploration and development expenses, Canadian oil and gas property expenses or foreign resource expenses it incurred as an operating partnership, or as a member of an operating partnership.

The partnership cannot deduct Canadian exploration and development expenses that were renounced in its favour, further to an investment in flow-through shares.

However, all above expenses are deemed to have been incurred by the members of the partnership and must consequently be allocated to the members. Members can then deduct the amount of the expenses allocated to them in the calculation of their income, in accordance with the instructions for boxes 28, 29, 30 and 31 or boxes 60 and 61 of the RL-15 slip, as applicable. The instructions are given in the document *RL-15 Slip: Amounts Allocated to the Members of a Partnership* (courtesy translation RL-15.EX-T).

Enter on **line 30** of Schedule F the resource expenses to be allocated to the partners if they were deducted in the financial statements. Refer to section 4.4.1 or section 4.4.4 for information about the expenses to allocate to partners.

600(d)

4.5.4 Deduction of R&D expenditures

To claim R&D expenditures for a fiscal period, a partnership must complete form RD-222-V, *Deduction Respecting Scientific Research and Experimental Development Expenditures*, and enclose it with the return. The deductible amount is the amount on line 90 of the RD-222-V form filed for the year.

Members of a partnership, other than specified members, can claim a refundable tax credit for certain R&D expenditures.

Enter, on **line 12**, the R&D expenditures that were deducted in the financial statements, and, on one of lines 77 through 84, the R&D expenditures deductible for the year that were determined using form RD-222-V.

222

4.5.5 Deduction of expenses relating to the use of a portion of a partner's home in the operation of a business

Where a partnership uses a portion of the home of one of its members and pays rent to the member or incurs expenses for use of the member's home, the partnership can claim an amount for the space used ("work space"). However, the work space must be the partnership's principal establishment, or be used by the partnership exclusively to earn income and to meet clients, customers or patients on a regular and ongoing basis.

As a rule, the amount that the partnership can deduct for the work space is limited to:

- 50% of any amount otherwise deductible, other than as CCA (rent, maintenance and repair expenditures, mortgage interest, property taxes, insurance premiums, etc.), if the expenditures relate to both the work space and the rest of the home;
- 100% of any amount otherwise deductible as CCA (if a capital expenditure cannot reasonably be considered to be entirely attributable to the work space, only 50% of the expenditure can be taken into account);
- 100% of any amount otherwise deductible for expenditures made entirely for the work space, other than rent.

If the partnership holds the required permit and uses a space in the home of one of its members to operate a private residential home (such as a senior citizen's residence or a nursing home), a tourist home, a bed and breakfast establishment or an establishment within a hospitality village, the 50% limit mentioned above does not apply.

Whether or not the partnership operates a sleeping-accommodation establishment, the deduction must **not** create or increase a business loss. Any amount that cannot be deducted for the fiscal period because of this restriction can, in the next fiscal period, be considered an allowable amount in respect of expenditures made entirely for the work space.

Enter, on one of **lines 40 through 47**, the non-deductible portion of the rent for the work space used.

NOTE
Rent for the work space is deemed to pertain both to the space and to the other part of the home.
175.4 ff.

4.5.6 Deduction of labour costs for work on an immovable

Where a partnership incurred labour costs for the renovation, maintenance or repair of a building, a structure or land located in Québec and used to earn income, a designated member of the partnership must provide information about any person (other than an employee of the partnership) that carried out the work. To do so, the designated member must complete form TP-1086.R.23.12-V, *Costs Incurred for Work on an Immovable*, and file it with the designated member's income tax return for the taxation year during which the partnership's fiscal period ended. If the designated member of the partnership is not required to file an income tax return for the taxation year covered, a duly completed copy of form TP-1086.R.23.12-V must be filed by the date on which the designated member would be required to file the return if the designated member had income tax payable.

If no member of the partnership has been designated to file form TP-1086.R.23.12-V, each member is required to file the form.

A partnership is liable to a penalty of $200 for each person regarding whom the required information is not provided on form TP-1086.R.23.12-V.
1086R88; TAA 59.0.2 (2nd par.)

4.5.7 Deduction of entertainment expenses

As a rule, for the purposes of calculating the deduction for entertainment expenses related to a business or property of the partnership, the limits detailed below apply to the cost of entertainment, food and beverages.

- Only 50% of **the lesser** of the following amounts must be taken into account:
  - the amount of expenses incurred;
  - an amount considered reasonable under the circumstances.
- The result obtained is then subject to a limit based on the gross income derived from the business or property.

For each source of income, the limit is calculated as follows:

- 2% of the gross income, if the gross income is $32,500 or less;
- $650, if the gross income is greater than $32,500, but less than $52,000;
- 1.25% of the gross income, if the gross income is $52,000 or more.

Partnership members who incurred expenses for entertainment, food or beverages for the business or property cannot deduct an amount for these expenses in the calculation of their income.

Enter, on line 21, the non-deductible portion of meal and entertainment expenses.

NOTE

- No limit applies to expenses related to certain events, such as:
  - a subscription including a set number of tickets for at least three separate cultural events giving entitlement to a deduction (concerts of a symphony orchestra or a classical music or jazz ensemble, as well as plays, operas, variety shows [performing arts], museum exhibitions or dance or vocal performances that take place in Québec in a place other than an amphitheatre normally used for sporting events);
  - the purchase of all or almost all of the tickets for a performance or show that gives entitlement to a deduction;
  - meals, beverages and entertainment offered to all the employees of one of the partnership's establishments. However, the expenses must not have been incurred for more than six special events in the calendar year.
- The limit based on gross income does not apply to food and beverage expenses incurred in a remote location, in the course of activities that are normally carried out at that location by a business. A location is considered remote if it is situated 40 kilometres or more from the business's establishment.

175.6.1, 421.1, 421.2

4.5.8 Temporary additional capital cost allowance for property constituting computer equipment or used for manufacturing or processing activities

A partnership that has acquired property constituting computer equipment or for use in manufacturing or processing activities can claim a **temporary** additional CCA corresponding to:

- **35%** of the CCA related to the property calculated in the partnership's business income, if the property was acquired after March 28, 2017, but before March 28, 2018;
- **60%** of the CCA related to the property, if the property was acquired:
  - after March 27, 2018, but **before December 4, 2018**,
  - after December 3, 2018, but before July 1, 2019, in accordance with a written agreement entered into before December 4, 2018,
  - after December 3, 2018, but before July 1, 2019, if the construction of the property began before December 3, 2018.

CCA is limited if the property is acquired after November 20, 2018.

To qualify, the property must meet the following conditions:

- If the property is used for manufacturing or processing activities, it is included in class 53 and the partnership claims the CCA at a rate of 50% on this property.
- If the property constitutes computer equipment, it is included in class 50 and the partnership claims the CCA at a rate of 55% on this property.
- It is first used within a reasonable time of its acquisition.
- It is used mainly by the partnership in the course of carrying on a business during a period of 730 consecutive days following the day the property is first put to use, except in the case of loss or involuntary destruction of the property.
- It is used mainly in Québec throughout the 730-day period.
- It is new at the time of its acquisition.

The additional CCA can be claimed **for two fiscal periods**: the fiscal period in which the property is available for use (first fiscal period) and the following fiscal period (second fiscal period).

Calculation of the CCA for property acquired before November 21, 2018

The additional CCA for the first fiscal period corresponds to the result of the following calculation:

$$\begin{array}{c}\text{35\% or 60\%}\\\text{(based on the}\\\text{acquisition date)}\end{array} \times \begin{array}{c}\text{Amount of the CCA for the fiscal period}\\\text{in respect of the }\textbf{class to which the}\\\textbf{property belongs}\text{ (class 50 or 53)}\end{array} \times \frac{\text{50\%} \times \text{capital cost of the property}}{\begin{array}{c}\text{UCC of the }\textbf{class}\text{ for the fiscal period (amount entered}\\\text{in column H of Schedule B for this class)}\end{array}}$$

The additional CCA for the second fiscal period corresponds to the result of the following calculation:

$$\begin{array}{c}\text{35\% or 60\%}\\\text{(based on the}\\\text{acquisition date)}\end{array} \times \begin{array}{c}\text{Amount of the CCA for the fiscal period}\\\text{in respect of the }\textbf{class to which the}\\\textbf{property belongs}\text{ (class 50 or 53)}\end{array} \times \frac{\begin{array}{c}\text{UCC of the property (part of the amount entered in}\\\text{column B of Schedule B that is attributable}\\\text{to the property)}\end{array}}{\begin{array}{c}\text{UCC of the }\textbf{class}\text{ for the fiscal period (amount entered}\\\text{in column H of Schedule B for this class)}\end{array}}$$

NOTE
If the fiscal period is less than 365 days, multiply the additional CCA by the ratio between the number of days in the fiscal period and 365.

Enter, on one of lines 77 through 84, the amount of the additional CCA.

Calculation of the CCA for property acquired after November 20, 2018

The two work charts below are used to calculate the additional CCA for property acquired:

- after November 20, 2018, but before December 4, 2018;
- after December 3, 2018, but before July 1, 2019, in accordance to a written agreement entered into before December 4, 2018;
- after December 3, 2018, but before July 1, 2019, if construction of the property began before December 3, 2018.

Complete Work Chart EF-1 to calculate the additional CCA for the first fiscal period and Work Chart EF-2 to calculate the additional CCA for the second fiscal period.

The columns shown in the work charts are those of the CCA table in Schedule B of the *Partnership Information Return* (TP-600-V).

EF-1 Additional CCA for the first fiscal period

Amount in column J for the class in which the property is included (50 or 53)					1	
				×	2	**60%**
Multiply line 1 by 60%.				=	3	
Portion of the amount in column H attributable to the property		4				
Amount from column H	÷	5				
Divide line 4 by line 5.	=				6	
Multiply line 3 by line 6.				=	7	
Capital cost of the property					8	
Multiplication factor. • For class 50 property, enter 16.5%. • For class 53 property, enter 15%.				×	9	
Multiply line 8 by line 9.				=	10	
Number of days in the fiscal period		11				
	÷	12	**365**			
Divide line 11 by 365.	=				13	
Multiply line 10 by line 13.				=	14	
Enter the amount from line 7 or line 14, whichever is **less**. Enter the amount on one of lines 77 through 84. **Additional CCA for the first fiscal period**					15	

EF-2 Additional CCA for the second fiscal period

Amount in column J for the class in which the property is included (50 or 53)					1	
				×	2	**60%**
Multiply line 1 by 60%.				=	3	
Capital cost of the property		4				
Amount in column J related to the property for the **previous fiscal period**	–	5				
Subtract line 5 from line 4. If the result is negative, enter 0.	=	6				
Amount from column H	÷	7				
Divide line 6 by line7.	=				8	
Multiply line 3 by line 8.				=	9	
Amount from line 7 of the work chart for the previous fiscal period (**Work Chart EF-1**)		10				
Amount from line 14 of the work chart for the previous fiscal period (**Work Chart EF-1**)	–	11				
Subtract line 11 from line 10. If the result is negative, enter 0.	=				12	
Add lines 9 and 12.				=	13	
Amount from line 11					14	
Amount from line 10				–	15	
Subtract line 15 from line 14. If the result is negative, enter 0.				=	16	
Amount from line 4		17				
Multiplication factor. • For class 50 property, enter 23.9%. • For class 53 property, enter 22.5%.	×	18				
Multiply line 17 by line 18. If there are fewer than 365 days in the fiscal period, complete lines 20 through 22. Otherwise, go to line 23 and enter the amount from line 19.	=	19				
	÷	20	**365**			
Divide line 19 by 365.	=	21				
Number of days in the fiscal period	×	22				
Multiply line 21 by line 22.	=				23	
Add lines 16 and 23.				=	24	
Enter the amount from line 13 or line 24, whichever is **less**. Enter the amount on one of lines 77 through 84. **Additional CCA for the second fiscal period**					25	

NOTE

- The additional CCA does not reduce the property's UCC and cannot be recaptured when the property is disposed of.
- This additional CCA may be subject to a special tax if, during a period of 730 consecutive days after the property is first put to use, the property is not used mainly in carrying on a business or is not used mainly in Québec.

156.7.4, 156.7.5, 1129.4.34

4.5.9 Additional CCA of 30% for certain property in classes 14, 14.1, 43.1, 43.2, 44, 50 and 53

A partnership that acquired, **after December 3, 2018**, property constituting manufacturing or processing equipment, clean energy generation equipment, computer equipment or intellectual property can, under certain conditions, claim the **permanent** additional CCA corresponding to **30%** of the CCA related to the property **for the previous fiscal period**.

Table 11 shows which conditions property must meet to qualify, **other than being acquired after December 3, 2018**. All property of a same class that qualifies for the additional CCA of 30% must be grouped in a separate class. For example, there will be a class 50 for property in that class acquired before December 4, 2018, and a separate class 50 for property in that class acquired after December 3, 2018, that qualifies for the additional CCA.

TABLE 11 Conditions

<table>
<tr><th>Type of property</th><th>Conditions specific to the property</th><th>Other conditions</th></tr>
<tr><td>Property used for manufacturing or processing activities</td><td>• The property is in class 53.
• The partnership did not claim the additional CCA of 60% for the property.</td><td rowspan="3">• The property is first used within a reasonable time of its acquisition.
• The property is used mainly by the partnership in the course of carrying on a business during a period of 730 consecutive days following the day the property is first put to use, except in the case of loss or involuntary destruction of the property.
• The property is used mainly in Québec throughout the 730-day period.
• The property is new at the time of its acquisition.
• The property is not acquired from a person or partnership that is not dealing at arm's length with the partnership.</td></tr>
<tr><td>Clean energy generation equipment</td><td>The property is in class 43.1 or class 43.2.</td></tr>
<tr><td>Computer equipment</td><td>• The property is in class 50.
• The partnership did not claim the additional CCA of 60% for the property.</td></tr>
<tr><td>Intellectual property</td><td>• The property is in class 14, class 14.1 or class 44.
• The property is qualified intellectual property (see the definition on page 46)</td><td>N/A</td></tr>
</table>

156.7.6

4.5.10 Reduction of an expenditure related to a tax shelter investment

If a partnership incurs an expenditure and either the expenditure itself or a partner's interest in the partnership constitutes a tax shelter investment, the partnership must reduce the expenditure by subtracting any limited-recourse amount or any at-risk adjustment considered to be related to the expenditure. If the amounts were not subtracted on the financial statements, enter them on one of lines 40 through 47.

851.38–851.50

5 PROVINCE, TERRITORY AND COUNTRY CODES

Table 12 gives the province and territory codes (two letters), and Table 13 gives the country codes (three letters). These codes must be used on line 10 of the return and in box C on line 11 of Schedule A.

TABLE 12 Province and territory codes

Province or territory	Code
Alberta	AB
British Columbia	CB
Manitoba	MB
New Brunswick	NB
Newfoundland and Labrador	NL
Northwest Territories	NT
Nova Scotia	NS

Province or territory	Code
Nunavut	NU
Ontario	ON
Prince Edward Island	PE
Québec	QC
Saskatchewan	SK
Yukon	YT

TABLE 13 Country codes

	Country	Code
A	Afghanistan	AFG
	Aland Islands	ALA
	Albania	ALB
	Algeria	DZA
	American Samoa	ASM
	Andorra	AND
	Angola	AGO
	Anguilla	AIA
	Antarctica	ATA
	Antigua and Barbuda	ATG
	Argentina	ARG
	Armenia	ARM
	Aruba	ABW
	Australia	AUS
	Austria	AUT
	Azerbaijan	AZE
	Azores	AZO
B	Bahamas, The	BHS
	Bahrain	BHR
	Bangladesh	BGD

Country	Code
Barbados	BRB
Belarus	BLR
Belgium	BEL
Belize	BLZ
Benin	BEN
Bermuda	BMU
Bhutan	BTN
Bolivia	BOL
Bonaire, Sint Eustatius and Saba	BES
Bosnia and Herzegovina	BIH
Botswana	BWA
Bouvet Island	BVT
Brazil	BRA
British Indian Ocean Territory	IOT
British Virgin Islands	VGB
Brunei	BRN
Bulgaria	BGR
Burkina Faso	BFA

	Country	Code
	Burundi	BDI
C	Cabo Verde	CPV
	Cambodia	KHM
	Cameroon	CMR
	Campione d'Italia	CMP
	Canada	CAN
	Canary Islands	CNP
	Cayman Islands	CYM
	Central African Republic	CAF
	Chad	TCD
	Chile	CHL
	China	CHN
	Christmas Island (Australia)	CXR
	Cocos (Keeling) Islands	CCK
	Colombia	COL
	Comoros	COM
	Congo	COG
	Cook Islands	COK

	Country	Code
	Costa Rica	CRI
	Cote d'Ivoire	CIV
	Croatia	HRV
	Cuba	CUB
	Curacao	CUW
	Cyprus	CYP
	Czech Republic	CZE
D	Democratic People's Republic of Korea	PRK
	Democratic Republic of the Congo (formerly Zaire)	COD
	Denmark	DNK
	Djibouti	DJI
	Dominica	DMA
	Dominican Republic	DOM
E	Ecuador	ECU
	Egypt	EGY
	El Salvador	SLV
	Equatorial Guinea	GNQ
	Eritrea	ERI
	Estonia	EST
	Ethiopia	ETH
F	Falkland Islands (Islas Malvinas)	FLK
	Faroe Islands	FRO
	Fiji	FJI
	Finland	FIN
	France	FRA
	French Guiana	GUF
	French Polynesia	PYF
	French Southern Territories	ATF
G	Gabon	GAB
	Gambia	GMB
	Georgia	GEO
	Germany	DEU
	Ghana	GHA
	Gibraltar	GIB
	Great Britain (including Northern Ireland)	GBR
	Greece	GRC

	Country	Code
	Greenland	GRL
	Grenada	GRD
	Guadeloupe	GLP
	Guam	GUM
	Guatemala	GTM
	Guernsey	GGY
	Guinea	GIN
	Guinea-Bissau	GNB
	Guyana	GUY
H	Haiti	HTI
	Heard Island and McDonald Islands	HMD
	Honduras	HND
	Hong Kong	HKG
	Hungary	HUN
I	Iceland	ISL
	India	IND
	Indonesia	IDN
	Iran	IRN
	Iraq	IRQ
	Ireland	IRL
	Isle of Man	IMN
	Israel	ISR
	Italy	ITA
J	Jamaica	JAM
	Japan	JPN
	Jersey	JEY
	Jordan	JOR
K	Kazakhstan	KAZ
	Kenya	KEN
	Kiribati	KIR
	Kuwait	KWT
	Kyrgyzstan	KGZ
L	Laos	LAO
	Latvia	LVA
	Lebanon	LBN
	Lesotho	LSO
	Liberia	LBR
	Libya	LBY
	Liechtenstein	LIE
	Lithuania	LTU

	Country	Code
	Luxembourg	LUX
M	Macau	MAC
	Macedonia	MKD
	Madagascar	MDG
	Madeira	MDR
	Malawi	MWI
	Malaysia	MYS
	Maldives	MDV
	Mali	MLI
	Malta	MLT
	Marshall Islands	MHL
	Martinique	MTQ
	Mauritania	MRT
	Mauritius	MUS
	Mayotte	MYT
	Mexico	MEX
	Micronesia (Federated States of)	FSM
	Moldova	MDA
	Monaco	MCO
	Mongolia	MNG
	Montenegro	MNE
	Montserrat	MSR
	Morocco	MAR
	Mozambique	MOZ
	Myanmar (Burma)	MMR
N	Namibia	NAM
	Nauru	NRU
	Nepal	NPL
	Netherlands	NLD
	New Caledonia	NCL
	New Zealand	NZL
	Nicaragua	NIC
	Niger	NER
	Nigeria	NGA
	Niue	NIU
	Norfolk Island	NFK
	Northern Ireland	GBR
	Northern Mariana Islands	MNP
	Norway	NOR

	Country	Code
O	Oman	OMN
P	Pakistan	PAK
	Palau	PLW
	Panama	PAN
	Papua New Guinea	PNG
	Paraguay	PRY
	Peru	PER
	Philippines	PHL
	Pitcairn	PCN
	Poland	POL
	Portugal	PRT
	Puerto Rico	PRI
Q	Qatar	QAT
R	Republic of Korea	KOR
	Reunion	REU
	Romania	ROM
	Russian Federation	RUS
	Rwanda	RWA
S	Saint Barthélemy	BLM
	Saint Helena, Ascension and Tristan de Cunha	SHN
	Saint Kitts and Nevis	KNA
	Saint Lucia	LCA
	Saint Martin (French part)	MAF
	Saint Pierre and Miquelon	SPM
	Saint Vincent and the Grenadines	VCT
	Samoa	WSM
	San Marino	SMR
	Sao Tome and Principe	STP

	Country	Code
	Saudi Arabia	SAU
	Senegal	SEN
	Serbia	SRB
	Seychelles	SYC
	Sierra Leone	SLE
	Singapore	SGP
	Sint Maarten (Dutch part)	SXM
	Slovakia	SVK
	Slovenia	SVN
	Solomon Islands	SLB
	Somalia	SOM
	South Africa	ZAF
	South Georgia and the South Sandwich Islands	SGS
	South Sudan	SSD
	Spain	ESP
	Sri Lanka	LKA
	State of Palestine	PSE
	Sudan	SDN
	Suriname	SUR
	Svalbard and Jan Mayen	SJM
	Swaziland	SWZ
	Sweden	SWE
	Switzerland	CHE
	Syria	SYR
T	Tajikistan	TJK
	Taiwan	TWN
	Tanzania	TZA
	Thailand	THA
	Timor-Leste	TLS

	Country	Code
	Togo	TGO
	Tokelau	TKL
	Tonga	TON
	Trinidad and Tobago	TTO
	Tunisia	TUN
	Turkey	TUR
	Turkmenistan	TKM
	Turks and Caicos Islands	TCA
	Tuvalu	TUV
U	Uganda	UGA
	Ukraine	UKR
	United Arab Emirates	ARE
	United States	USA
	United States Minor Outlying Islands	UMI
	United States Virgin Islands	VIR
	Uruguay	URY
	Uzbekistan	UZB
V	Vanuatu (New Hebrides)	VUT
	Vatican City (Holy See)	VAT
	Venezuela	VEN
	Vietnam	VNM
W	Wallis and Futuna	WLF
	Western Sahara	ESH
Y	Yemen	YEM
Z	Zambia	ZMB
	Zimbabwe	ZWE
	All other countries	**OMC**

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